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DISABLED VETERANS REHABILITATION ACT OF 1980

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HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

ON

S. 1188 and Amdt. No. 1661

FEBRUARY 28, 1980

Printed for the use of the Committee on Veterans' Affairs

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WASHINGTON : 1980

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DISABLED VETERANS REHABILITATION ACT OF 1980

THURSDAY, FEBRUARY 28, 1980

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The committee met, pursuant to notice, at 9:10 a.m., in room 412, Russell Office Building, Hon. Alan Cranston (chairman of the committee) presiding.

Present: Chairman Alan Cranston.

OPENING STATEMENT OF HON. ALAN CRANSTON, CHAIRMAN OF THE SENATE COMMITTEE ON VETERANS' AFFAIRS

Chairman CRANSTON. Good morning and welcome to this morning's hearing of the Senate Committee on Veterans' Affairs.

Today, the committee will hear testimony on S. 1188, a bill that I introduced at the request of the administration on May 21, 1979, and amendment No. 1661, which I submitted on February 19, basically to amend title 38 of the United States Code to improve, expand, and modernize rehabilitation services for service-connected disabled veterans under chapter 31.

The provision of effective, comprehensive rehabilitation services for disabled people is an area of my deepest personal commitment, and there is no group within our society more deserving of our efforts in this regard than those who, while serving in our country's Armed Forces, received disabling injuries.

Thus, I am extremely pleased to be moving ahead today in the development of legislation to make needed, comprehensive improvements in the chapter 31 rehabilitation program for service-connected disabled veterans.

The Congress established the basic framework of this program in 1943; and, although various laws have been enacted to expand and improve the program in several respects and to increase the subsistence allowance rates, the Congress has left the purpose and structure unchanged for 37 years.

In light of the great changes that have occurred since 1943 in rehabilitation concepts and in the roles of seriously handicapped individuals in our society, this committee has, during the past 6 years, repeatedly called for a comprehensive revision of chapter 31. In 1974 and 1976, in committee reports, we noted that the vocational rehabilitation chapter and the implementing regulations had many inconsistencies and strongly recommended that the VA thoroughly review the program for possible legislative and administrative changes, particularly in keeping with the—then very recent—Rehabilitation Act of 1973, of which I was proud to be a principal author along with two other of our committee members, Jennings Randolph and Bob Stafford.

However, by 1977, the committee had received no such recommendations from the VA. Thus, in the GI Bill Improvements Act of 1977, the committee included a provision requiring the Administrator, after consultation with the Commissioner of the Rehabilitation Services Administration in HEW, to submit to the President and the Congress by March 1, 1978, a report of a study of the VA's vocational rehabilitation program under chapter 31.

That provision, as enacted in section 307 of Public Law 95-202, required that the report include the Administrator's recommendations for changes in chapter 31, recommendations as to the need for vocational rehabilitation personnel to provide chapter 31 trainees with appropriate job development and placement assistance and a description and analysis of the scope and quality of the chapter 31 program in comparison to vocational rehabilitation provided under the Rehabilitation Act of 1973.

The VA has since submitted reports of two studies, the one mandated by Public Law 95-202, in October 1978, and the other, a program evaluation study under section 219 of title 38, in October 1979.

Both studies showed that the present VA vocational rehabilitation program is antiquated and in need of a complete overhaul—rather than piecemeal amendments—to be able to best serve the rehabilitation needs of the service-connected disabled veterans.

Although these VA studies provided much useful information, I believed that, before the committee could reasonably undertake a total rewrite of chapter 31, a further independent study was needed to develop further information on certain major issues. Thus, on March 1, 1979, I requested the General Accounting Office to conduct an extensive study of the vocational rehabilitation program.

Although the GAO's final report became available to the committee just yesterday, the committee staff has previously been thoroughly briefed on its findings. The substance of the report, which is summarized in the GAO testimony for this hearing, generally affirms the VA's findings with respect to several problem areas, shows problems in other areas as well, and recommends various administrative and legislative changes.

After reviewing all the available studies and information, I prepared and submitted, on February 19, amendment No. 1661 to the administration-requested bill.

We have made available to all witnesses copies of the floor statement that I made when I submitted amendment No. 1661, which describes the provisions of the amendment, and that statement will be printed in this hearing record in full.

Thus, in the interest of time, I will not discuss the amendment in any detail at this point.

I will only highlight the basic thrust of my amendment. It would, in a manner similar to the administration-requested bill, expand the purpose and effective operation of the chapter 31 program beyond achieving employability of the veteran to helping the veteran find and maintain employment in a suitable job, and would place great emphasis on the provision of employment assistance, including postplacement services.

Also, in a manner similar to the administration bill, the amendment would expand the scope of services under chapter 31 in several respects including, very importantly, pretraining services to help improve the ability of severely disabled veterans to participate in vocational training.

The amendment goes further than S. 1188 in this respect and would make more specific provision for the furnishing of independent living services to all seriously disabled chapter 31 participants in need of this kind of assistance to achieve a maximum level of independent, self-sustaining life in the community.

The amendment would also create a 5-year pilot program of independent living services for those who are determined to be too severely disabled to pursue a vocational goal.

I would also note three other areas in which the administration bill and the amendment differ.

First, as the Senate voted on S. 870 on January 24, the amendment would provide for a badly needed 15-percent cost-of-living increase in subsistence allowances. Although S. 1188, as introduced, did not do so, the administration now proposes a 10-percent increase.

Second, the amendment would establish a Veterans' Advisory Committee on Rehabilitation to assure ongoing, independent assessments of veterans' rehabilitation needs and VA programs and activities to meet those needs, to increase coordination of all VA resources devoted to rehabilitation efforts, and to help assure adequate coordination and exchange of perspectives between the VA and other relevant Federal agencies.

The amendment would also require that no less than half of the voting membership of the Advisory Committee be service-connected disabled veterans.

Third, the administration bill proposes to eliminate entirely any limitation on the veteran's period of eligibility—the so-called delimiting period—for vocational rehabilitation so that the VA could provide needed services and assistance at any time.

I fully sympathize with the basic objectives of the administration's proposal, and my amendment provides sufficient flexibility to provide services and assistance whenever a veteran with a serious employment handicap needs them; for example, when a previously rehabilitated veteran grows older and needs retraining because he or she can no longer perform in a physically demanding occupation.

But the amendment provides a basic 10-year—rather than the present 9-year—period of eligibility following discharge from active service in order to encourage early participation in vocational rehabilitation.

Similarly, although the amendment does not incorporate the administration's proposal to extend the veteran's entitlement from 48 to 64 months in order to allow for the greater length of rehabilitation and services that some need, the amendment does provide authority to extend those months of entitlement where needed to achieve full rehabilitation of a particular veteran with a serious employment handicap.

In closing, I want to emphasize that, although I am firmly committed to certain basic principles reflected in the amendment—principles such as authorizing comprehensive rehabilitation services, providing for independent living services for severely disabled veterans, focusing VA rehabilitation services on the needs of those with serious employment handicaps and providing a reasonable cost-of-living increase in subsistence allowances—I look forward to the testimony this morning to help us perfect this legislation so as to best serve the rehabilitation needs of the Nation's service-connected disabled veterans.

[The text of S. 1188 and amendment No. 1661, the statements in reference thereto, and the agency report thereon follow:]

II

96TH CONGRESS
1ST SESSION

S. 1188

To improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 21, 1979

Mr. CRANSTON (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

---

A BILL

To improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1979".

TITLE I—VOCATIONAL REHABILITATION AMENDMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended to read as follows:

"CHAPTER 31—VOCATIONAL REHABILITATION

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Scope of services.
"1504. Duration of services.
"1505. Subsistence allowances.
"1506. Counseling.
"1507. Vocational rehabilitation plan.
"1508. Leaves of absence.
"1509. Regulations to promote satisfactory conduct and cooperation.
"1510. Revolving fund loans.
"1511. Vocational rehabilitation for hospitalized persons and veterans.
"1512. Training outside the United States.
"1513. Unpaid training and work experience.
"1514. Rehabilitation resources.
"1515. Development of employment and on-job training opportunities.
"1516. Employment assistance.
"1517. Staff training and development.
"1518. Rehabilitation research and special projects.

"§ 1500. Purpose

"The Congress of the United States hereby declares that the program created by this chapter is for the purpose of providing all services necessary to enable veterans with service-connected disabilities to attain maximum independence, to become employable, and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(a) The term 'vocational rehabilitation' means those services which provide all assistance needed for the accomplishment of the stated purposes of this chapter including, but not limited to, diagnostic, medical, social, psychological, economic, and vocational services as are determined by the Administrator to be needed to render a veteran with an employment handicap because of a service-connected disability employable and employed and to enable the veteran to achieve maximum independence.

"(b) The term 'employment handicap' means a disability the limiting effects of which impair the veteran's ability to prepare for, obtain, or retain employment consistent with the veteran's abilities, aptitudes, and interests.

"§ 1502. Basic entitlement

"(a) A veteran shall be entitled to vocational rehabilitation if the veteran—

"(1) has a compensable service-connected disability incurred in service on or after September 16, 1940;

"(2) was released from active duty under conditions other than dishonorable or is hospitalized in a military hospital pending final discharge; and

"(3) is determined by the Administrator to be in need of vocational rehabilitation because of an employment handicap.

"(b) A previously rehabilitated veteran whose condition has changed to the extent that the veteran requires vocational rehabilitation to enter employment more suitable to the veteran's abilities and aptitudes may receive additional vocational rehabilitation under this chapter as the Administrator deems appropriate.

"§ 1503. Scope of services

"Services authorized under this chapter shall include:

"(1) Evaluation of rehabilitation potential, including diagnostic and related services to determine whether the service-connected disability causes a handicap to employment and whether a rehabilitation goal is feasible for the veteran, and to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve rehabilitation potential, as appropriate.

"(2) Educational, vocational, and personal adjustment counseling.

"(3) A vocational rehabilitation plan as set forth in section 1507 of this chapter.

"(4) Vocational and other training services, including individualized tutorial assistance, personal adjustment and work adjustment training, tuition, fees, books, supplies, licensing fees, and other training materials.

"(5) Treatment for mental and emotional disorders.

"(6) Medical diagnosis, care, treatment, and hospitalization.

"(7) Prosthetic appliances, eyeglasses, and other corrective devices.

"(8) Placement services to effect suitable placement in employment; postplacement services to ensure satisfactory adjustment in employment.

"(9) Services to the veteran's family as necessary to the veteran's rehabilitation.

"(10) Special rehabilitation services, including services for the blind and deaf:

"(A) services such as language training, speech and voice correction, training in ambulation, one-hand typewriting;

"(B) orientation, adjustment, mobility, and reader services for the blind, and interpreter and other services for the deaf; and

"(C) telecommunications, sensory, and other technological aids and devices.

"(11) Subsistence allowance as authorized by section 1505 of this chapter.

"(12) For the most severely disabled veterans requiring homebound training and/or self employment, essential equipment, supplies, and minimum stocks of materials determined necessary to begin employment. The Administrator shall, by regulation, establish criteria and cost limitation.

"(13) Transportation, as authorized in section 111 of this title, plus a special transportation allowance during training, job seeking, and the initial employment stage for veterans who, because of their handicap, have transportation expenses above those incurred by persons not so handicapped.

"(14) Work study allowance, as authorized by section 1685 of this title.

"(15) Loans as authorized by section 1510 of this chapter.

"(16) Other incidental goods and services, including but not limited to all necessary books, supplies, and equipment determined by the Administrator as necessary to accomplish vocational rehabilitation in the individual case.

"§ 1504. Duration of services

"Unless a longer period of time is prescribed by the Administrator—

"(1) the period of services to evaluate and improve rehabilitation potential of veterans for whom the feasibility of attainment of rehabilitation is indeterminate may not exceed twelve months; and

"(2) the period of vocational rehabilitation training and associated services authorized under this chapter following a finding of feasibility of vocational rehabilitation may not exceed sixty-four months.

"§ 1505. Subsistence allowances

"(a) Each veteran shall be paid a subsistence allowance during a certified period of (1) evaluation of vocational rehabilitation potential; (2) vocational rehabilitation training; and (3) postvocational rehabilitation training (not to exceed two months).

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No. dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$241	$298	$351	$26
Three quarter-time	181	224	263	19
Half-time	120	149	176	13
Farm cooperative, apprentice, or other on-job training:				
Full-time	210	254	293	19
Unpaid on-job training or work experience in Federal agency:				
Full-time	241	298	351	26
Evaluation and improvement of vocational rehabilitation potential:				
Full-time	241	298	351	26

"(c) Where the vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to the veteran during the month, directly or indirectly. Based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

"(d) The Administrator shall define full-time and part-time status in the case of all eligible veterans undergoing vocational rehabilitation under this chapter.

"(e) Where the veteran pursues a program on a residential basis in a specialized rehabilitation facility, the Administrator is authorized to pay to such facility the full cost of the veteran's room and board and, in addition, to pay to the veteran that portion of the allowance for dependents payable, as determined by the veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) During the two-month period following a determination of employability, the veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of vocational training pursued.

"(g) A veteran pursuing an unpaid program of vocational rehabilitation training or work experience in a Federal agency under the provisions of section 1513 of this chapter shall be paid the subsistence rate provided in subsection (b) of this section for a full-time institutional program.

"(h) A veteran pursuing a program of vocational rehabilitation while hospitalized in a Veterans' Administration hospital, or other hospital or facility, or while resident in a Veterans' Administration domiciliary, shall be paid the subsistence rate provided in subsection (b) of this section for the type of training pursued. Subsistence allowance to veterans resident in a Veterans' Administration domiciliary shall be withheld and paid upon discharge under the same conditions as set forth in clauses (1) and (2) of subsection (i) of this section.

"(i) The subsistence allowance otherwise payable to a veteran pursuing vocational rehabilitation under this chapter, while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

"(1) if the veteran has no dependents, the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (b) of this section shall be withheld by the Veterans' Administration for payment to the veteran upon release from incarceration; or

"(2) if the veteran has dependents, the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (b) of this section shall be withheld by the Veterans' Administration for payment to the veteran upon release from incarceration (unless the veteran advises the Veterans' Administration in writing that the veteran releases any or all of such withheld funds to the veteran's dependents), and that portion of the allowance payable on account of the veteran's dependents as prescribed in such table shall be paid to the veteran's dependents.

"(j) Payment of subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§ 1506. Counseling

"Subject to regulations which the Administrator shall prescribe, each eligible veteran shall be provided initial counseling and necessary counseling during any period which the veteran is undergoing vocational rehabilitation evaluation, vocational rehabilitation training, or posttraining assistance. Such counseling may include vocational, educational, rehabilitation, psychological, personal adjustment, and employment. Where appropriate, family counseling may be provided.

"§ 1507. Vocational rehabilitation plan

"(a) Each veteran pursuing a program of vocational rehabilitation shall participate in the planning and decision process in formulating a comprehensive, individualized written rehabilitation plan. Such plan shall include (1) a statement of long range goals and intermediate objectives; (2) a statement of the specific services to be provided and a time schedule for the providing of such services; (3) a projected date for completion of necessary rehabilitation; and (4) objective criteria for evaluating the veteran's progress under the plan.

"(b) The plan shall be reviewed at least annually and, where determined necessary, modified to meet the needs of the veteran.

"§ 1508. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator deems necessary for granting leaves of absence to veterans pursuing vocational rehabilitation training. During authorized leaves of absence, a veteran shall be considered to be pursuing vocational rehabilitation training.

"§ 1509. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator deems necessary to promote satisfactory conduct and cooperation on the part of veterans who are receiving services under this chapter. If the veteran fails to maintain satisfactory conduct or cooperation in the rehabilitation process, and the Administrator determines that discontinuance of rehabilitation on that account is necessary, rehabilitation benefits and services will be terminated until such time as it is determined that the basis for the unsatisfactory conduct or lack of cooperation has been removed.

"§ 1510. Revolving fund loans

"The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of $400 in any case, to veterans pursuing vocational rehabilitation. Such advances, and advances heretofore made, shall bear no interest and shall be repaid in such installments as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

"§ 1511. Vocational rehabilitation for hospitalized persons and veterans

"(a) Vocational rehabilitation may be afforded under this chapter to any person who is hospitalized pending final discharge from the active military, naval, or air service, if such person is otherwise eligible. In such cases, no subsistence allowance shall be payable.

"(b) Vocational rehabilitation may be afforded under this chapter to veterans who are hospitalized at Veterans' Administration hospitals or domiciliaries or, where feasible, at any other hospital or medical facility.

"§ 1512. Training outside the United States

"Pursuant to such regulations as the Administrator shall prescribe, vocational rehabilitation training may be provided outside the United States where it is determined that such training is necessary in the particular case to provide the preparation needed to render the veteran employable in a suitable occupation and as is determined to be in the best interest of the veteran and the Federal Government.

"§ 1513. Unpaid training and work experience

"Notwithstanding any other provision of law, the facilities of any Federal agency may be used to provide unpaid training or work experience as part or all of a veteran's program of vocational rehabilitation when the Administrator determines such training or work experience is necessary to accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"§ 1514. Rehabilitation resources

"(a) For the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities, staff, and other resources of the Veterans' Administration;

"(2) employ additional personnel and experts, as the Administrator deems necessary; and

"(3) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals. Such use may be procured through contract, agreement, or other cooperative arrangement.

"(b) A program of vocational rehabilitation (including individual courses) to be pursued by the veteran under this chapter shall be subject to the approval of the Administrator.

"§ 1515. Development of employment and on-job training opportunities

"(a) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for service-connected disabled veterans through direct Veterans' Administration staff outreach to employers and through Veterans' Administration coordination with the Federal, State, and local governmental agencies and appropriate nongovernmental organizations.

"(b) Under regulations the Administrator may prescribe, payments may be made to employers for providing on-job training to veterans in individual instances when the Administrator determines payments to be necessary to obtain the needed on-job training.

"§ 1516. Employment assistance

"(a) A veteran, who is determined to be employable, shall be furnished assistance in obtaining employment suitable to the veteran's handicap, interests, and aptitudes. Such assistance may include (1) direct placement of the veteran in employment; and (2) utilization of placement services of (A) the Rehabilitation Services Administration, Department of Health, Education, and Welfare; (B) the State employment service and the Veterans Employment Service of the Department of Labor; (C) the Office of Personnel Management; and (D) any other public or nonprofit organization having placement services available.

"(b) If a veteran has trained for self-employment under this chapter, the Administrator shall cooperate with the Small Business Administration to assist the veteran to secure a loan for the purchase of equipment needed to establish the veteran's own business. The Administrator may provide license fees required by the veteran to operate the business as authorized by section 1503(4) of this chapter and, where deemed appropriate, may provide the initial tools and equipment required as authorized by section 1503(12) of this chapter.

"(c) The Administrator may furnish an eligible veteran who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies needed by the veteran but not supplied through the State program or other sources.

"§ 1517. Staff training and development

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation staffs engaged in providing vocational rehabilitation services under this chapter. The objective of such training shall be to ensure that vocational rehabilitation services for veterans are provided in accordance with the most advanced knowledge methods and techniques available for the vocational rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training.

"(b) The Administrator shall coordinate with the Commissioner, Rehabilitation Services Administration, Department of Health, Education, and Welfare in planning and carrying out staff training in areas of joint program concern.

"§ 1518. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities to advance the knowledge, methods, techniques, and resources available for use in veterans vocational rehabilitation. For this purpose, the Administrator shall conduct and provide support for the development and/or conduct of—

"(1) studies and research concerning the psychological, social, vocational, industrial, and economic aspects of vocational rehabilitation of handicapped veterans, including new methods of rehabilitation; and

"(2) projects which will provide increased resources and potential for accomplishing the vocational rehabilitation of handicapped veterans.

"(b) For the purpose specified in (a) above, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Secretary, Department of Health, Education, and Welfare, regarding vocational rehabilitation studies, research, and special projects of mutual agency concern.".

SEC. 102. Chapter 34 of title 38, United States Code, is amended by—

(1) inserting after section 1686 the following new section:

"§ 1687. Rehabilitation services

"Any compensable service disabled veteran who is found in need of vocational rehabilitation under chapter 31 of this title may elect to pursue a chapter 31 approved vocational rehabilitation plan under this chapter and may be furnished those services set forth in section 1503 (1), (2), (3), (5), (6), (7), (8), (9), (10), (12), and (13) of this title as necessary to carry out the individual's plan."; and

(2) amending the table of sections at the beginning of the chapter by inserting

"1687. Rehabilitation services."

below

"1686. Education loans.".

Sec. 103. Section 1795 of title 38, United States Code, is amended by—

(1) amending clause (4) to read as follows:

"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";

(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and

(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof the following: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of sixty-four months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided by chapter 31 are required to

accomplish the purposes of vocational rehabilitation as set forth in that chapter."

TITLE II—TECHNICAL AMENDMENTS—EFFECTIVE DATE

Sec. 201. Section 1685(b) of title 38, United States Code, is amended by deleting "30" and inserting in lieu thereof "10".

Sec. 202. Section 1781 of title 38, United States Code, is amended by inserting immediately after "36" the following: "or subsistence allowance granted under chapter 31".

Sec. 203. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following: "The thirty-six month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.".

Sec. 204. The provisions of this Act shall become effective on October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever is later.

[No. 15]

COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

Veterans' Administration,
Office of the Administrator of Veterans' Affairs,
Washington, D.C., May 11, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is a draft bill entitled the "Disabled Veterans Rehabilitation Act of 1979" which we request be introduced and receive favorable consideration.

In the enactment of Public Law 95–202, the Veterans' Administration was called upon to conduct a thorough study of the provisions of the veterans' vocational rehabilitation program with a view to making recommendations for legislative or administrative changes in the program. This study was completed and submitted to the President and the Congress on September 26, 1978 (Senate Committee on Veterans' Affairs Print No. 26, 95th Congress; House Committee on Veterans' Affairs Print No. 167, 95th Congress). This study found that the veterans' vocational rehabilitation program was essentially patterned after the original program in 1943 and was in need of substantial revision and modernization.

The findings and recommendations of this study were adopted by the President in his message to the Congress on the status of Vietnam-era veterans submitted October 19, 1978, when he concluded that the current chapter 31 vocational rehabilitation program required "major updating." The proposed legislation submitted here contains the revisions the President pledged in order to "modernize and improve" that program. A general description of the major changes proposed in the draft bill is followed by a more detailed section-by-section analysis.

Our program of vocational rehabilitation was designed in 1943 when it was a progressive and responsible formulation and has generally served disabled veterans well for more than 30 years. Nevertheless, the program needed a review to take advantage of what has been accomplished in rehabilitation during the intervening three decades. Congress, in requiring the study, directed the VA to analyze its authority in comparison with that of the rehabilitation Act of 1973, administered by the Department of Health, Education, and Welfare. Our study concluded that an updating of our own rehabilitation authority is necessary and appropriate.

Title I of the Disabled Veterans Rehabilitation Act of 1979 sets forth our proposed revision of existing chapter 31 of title 38, United States Code, substituting the new provisions we recommend to update and modernize this program.

Current law limits the purpose of the vocational rehabilitation program to restoring a veteran's employability lost by virtue of a handicap due to a service-connected disability or disabilities. We firmly believe, and our study confirms, that the purpose of this program should encompass, not only the achievement of employability, but also entry into and adjustment in, suitable employment, including self-employment where appropriate. Such revision would be consistent with the generally accepted goal and criterion of vocational rehabilitation. It would also be consistent with current practice under which the rehabilitative agency is seen as the most effective agent for carrying the process of vocational rehabilitation to its completion.

The present chapter 31 definition, which equates vocational rehabilitation with training, including educational and vocational counseling, tutorial assistance, and necessary incidental services, is incomplete in two important areas. First, it omits certain essential services. At present, it does not include employment placement and adjustment services necessary for the achievement of actual employment. In addition, the current definition equates vocational rehabilitation with training, and has been interpreted to mean that for veterans whose physical or emotional condition is such that training is not currently feasible, there is no provision for vocational rehabilitation services. Thus, under existing law, pretraining services have not been provided for veterans whose training and vocational goal is indeterminate.

Second, the current definition is a fragmented concept of vocational rehabilitation and, as such, is not consistent with current rehabilitation concepts and philosophy, which considers rehabilitation to be a unified, multidisciplinary process. Consequently, it promotes the provision of VA vocational rehabilitation services as separate services, rather than as integrated and coordinated components of an overall process. The proposed definition in the draft measure includes all services needed—pretraining, training, and posttraining—beginning with the identification of the handicapped service-disabled veteran and continuing with his or her rehabilitation into employment.

A third important area recognized in our study was the general time limitation imposed on the current program. We believe that time limits on eligibility should be eliminated for all service-disabled veterans who are otherwise eligible for, and in need of, vocational rehabilitation. We have, therefore, included in the draft proposal provisions for services at any time the disabled veteran needs them to obtain employment. This would allow us to extend assistance to those older veterans whose conditions may have worsened and affected their employability.

Two other areas identified as requiring improvement are counseling and guidance. In our draft proposal we have provided for the counseling needs of veterans throughout the vocational rehabilitation process. In addition, we have recognized the need to ensure the timely initiation of vocational rehabilitation counseling and planning services for service-disabled veterans in VA Medical Centers as well as the need to provide the continuity of assistance needed when the veteran returns to the community.

We further believe there is need to raise the present 48-month limit on training because of changed educational practices as to the number of semester credit hours constituting full-time study. Under current practice, 45 months, instead of 36, may be needed to complete an undergraduate program, and 18 months, instead of 12, may be needed to achieve a master's degree. Since the master's degree is needed for entry into many professional occupations, it is the appropriate level of training required for the complete restoration of employability in a number of chapter 31 cases. It is proposed, therefore, that the present 48-month limit be increased to 64 months.

We have also included in the draft bill new provisions for direct financial assistance to employers in individual veteran cases where payment of additional incentives is required to provide on-job training slots which, without such an incentive, would not be available. We have also provided that payment of the 2-month postrehabilitation subsistence allowance shall be made at full-time rates to provide sufficient benefits to allow the veteran to devote full time toward finding suitable employment in the objective for which rehabilitation has been provided. This is especially necessary for those veterans who had been training on a half-time bases. And, we have included authority to pay institutional rate benefits to those individual in nonpay training in Federal agencies. The on-job rate presently provided is not sufficient in that it fails to recognize that, unlike other on-job training, this pursuit pays no wage. The Disabled Veterans Rehabilitation Act of 1979 would also raise the revolving fund loan maximum from $200 to $400 to aid the veteran meet emergency financial needs which may jeopardize his or her ability to begin or continue training.

We also believe that ongoing training and other staff development activities for VA counseling and rehabilitation staff are essential to ensure that the practices and methods utilized in the veterans' vocational rehabilitation program are in accord with the most modern concepts and advanced knowledge available in the field of rehabilitation. Such training is thus authorized by the measure. It is intended that the VA and State-Federal programs coordinate planning and execution of staff training in those areas of joint program concern.

Research is essential to the acquisition and development of new knowledge and improved techniques and methods for vocational rehabilitation of handicapped veterans, especially the most severely handicapped. We therefore have included authority in the proposed bill to permit us to carry out projects which would improve the quality of our program.

Additional changes in chapter 31 are discussed in the enclosed section-by-section analysis.

Title I also amends other provisions of title 38. In section 102 we have provided that when a veteran is eligible for chapter 31 assistance but elects to train under the GI Bill (chapter 34) that we can provide necessary rehabilitation services. Under the provisions of chapter 31 we pay the veteran's full tuition and fees plus a monthly subsistence allowance. Nevertheless, many disabled veterans attending State funded schools, where tuition and fees are fairly low and are, therefore, not a real factor, elect to train under the chapter 34 program because the assistance rate payable is higher, even though they must pay their own tuition and fees. This has the effect of denying them the additional services provided to a chapter 31 trainee. Since our goal is to ensure that all compensable service-disabled veterans benefit from the services provided under chapter 31, the change proposed here would allow the veteran appropriate services even though he or she is training under chapter 34.

Title II of the draft bill contains technical amendments to title 38 and sets the effective date for the measure.

Section 201 would make all compensable disabled veterans eligible for priority consideration for chapter 31 trainees under our work-study program. This provides consistency with eligibility requirements for vocational rehabilitation under our chapter 31 program. Section 202 would amend section 1781 of title 38 to bar receipt of subsistence benefits under chapter 31 concurrently with receipt of educational assistance benefits for those on active military duty or while training under the Government Employees Training Act. Section 203 proposes to amend section 1631(a)(1) of title 38 to reflect in the chapter 32 provisions the 48-month limitation discussed above. Section 204 establishes the effective date of the measure as October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever is later.

It is estimated that enactment of the draft bill would result in additional direct benefits cost in fiscal year 1980 totaling $6,793,000 and $33,756,000 for the first 5 fiscal years. Enactment would also result in estimated additional administrative cost in fiscal year 1980 of $4,192,000 and $21,301,000 over the first 5 fiscal years. In addition, enactment would also require a one time budget authority request in fiscal year 1980 of $350,000 to implement the proposed increase in the loan revolving fund.

The Office of Management and Budget advises that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

MAX CLELAND,
Administrator.

Enclosures.

A BILL To improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1979".

TITLE I—VOCATIONAL REHABILITATION AMENDMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended to read as follows:

"CHAPTER 31—VOCATIONAL REHABILITATION

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Scope of services.

"1504. **Duration of services.**
"1505. **Subsistence allowances.**
"1506. **Counseling.**
"1507. **Vocational rehabilitation plan.**
"1508. **Leaves of absence.**
"1509. **Regulations to promote satisfactory conduct and cooperation.**
"1510. **Revolving fund loans.**
"1511. **Vocational rehabilitation for hospitalized persons and veterans.**
"1512. **Training outside the United States.**
"1513. **Unpaid training and work experience.**
"1514. **Rehabilitation resources.**
"1515. **Development of employment and on-job training opportunities.**
"1516. **Employment assistance.**
"1517. **Staff training and development.**
"1518. **Rehabilitation research and special projects.**

"§ 15.00. Purpose

"The Congress of the United States hereby declares that the program created by this chapter is for the purpose of providing all services necessary to enable veterans with service-connected disabilities to attain maximum independence, to become employable, and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(a) The term 'vocational rehabilitation' means those services which provide all assistance needed for the accomplishment of the stated purposes of this chapter including, but not limited to, diagnostic, medical, social, psychological, economic and vocational services as are determined by the Administrator to be needed to render a veteran with an employment handicap because of a service-connected disability employable and employed and to enable the veteran to achieve maximum independence.

"(b) The term 'employment handicap' means a disability the limiting effects of which impairs the veteran's ability to prepare for, obtain, or retain employment consistent with the veteran's abilities, aptitudes, and interests.

"§ 1502. Basic entitlement

"(a) A veteran shall be entitled to vocational rehabilitation if the veteran—

"(1) has a compensable service-connected disability incurred in service on or after September 16, 1940;

"(2) was released from active duty under conditions other than dishonorable or is hospitalized in a military hospital pending final discharge; and

"(3) is determined by the Administrator to be in need of vocational rehabilitation because of an employment handicap.

"(b) A previously rehabilitated veteran whose condition has changed to the extent that the veteran requires vocational rehabilitation to enter employment more suitable to the veteran's abilities and aptitudes may receive additional vocational rehabilitation under this chapter as the Administrator deems appropriate.

"§ 1503. Scope of services

"Service authorized under this chapter shall include:

"(1) Evaluation of rehabilitation potential, including diagnostic and related services to determine whether the service-connected disability causes a handicap to employment and whether a rehabilitation goal is feasible for the veteran, and to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve rehabilitation potential, as appropriate.

"(2) Educational, vocational and personal adjustment counseling.

"(3) A vocational rehabilitation plan as set forth in section 1507 of this chapter.

"(4) Vocational and other training services, including individualized tutorial assistance, personal adjustment and work adjustment training, tuition, fees, books, supplies, licensing fees and other training materials.

"(5) Treatment for mental and emotional disorders.

"(6) Medical diagnosis, care, treatment, and hospitalization.

"(7) Prosphetic appliances, eyeglasses, and other corrective devices.

"(8) Placement services to effect suitable placement in employment; postplacement services to ensure satisfactory adjustment in employment.

"(9) Services to the veteran's family as necessary to the veteran's rehabilitation.

"(10) Special rehabilitation services, including services for the blind and deaf:

"(A) services such as language training, speech and voice correction training, in ambulation, one-hand typewriting;

"(B) orientation, adjustment, mobility and reader services for the blind, and interpreter and other services for the deaf; and

"(C) telecommunications, sensory and other technological aids and devices.

"(11) Subsistence allowance as authoried by section 1505 of this chapter.

"(12) For the most severely disabled veterans requiring homebound training and/or self employment, essential equipment, supplies, and minimum stocks of materials determined necessary to begin employment. The Administrator shall, by regulation, establish criteria and cost limitation.

"(13) Transportation, as authorized in section 111 of this title, plus a special transportation allowance during training, job seeking and the initial employment stage for veterans who, because of their handicap, have transportation expenses above those incurred by persons not so handicapped.

"(14) Work study allowance, as authorized by section 1685 of this title.

"(15) Loans as authorized by sections 1510 of this chapter.

"(16) Other incidental goods and services, including but not limited to all necessary books, supplies, and equipment determined by the Administrator as necessary to accomplish vocational rehabilitation in the individual case.

"§ 1504. Duration of services

"Unless a longer period of time is prescribed by the Administrator—

"(1) the period of services to evaluate and improve rehabilitation potential of veterans for whom the feasibility of attainment of rehabilitation is indeterminate may not exceed 12 months; and

"(2) the period of vocational rehabilitation training and associated services authorized under this chapter following a finding of feasibility of vocational rehabilitation may not exceed 64 months.

"§ 1505. Subsistence allowances

"(a) Each veteran shall be paid a subsistence allowance during a certified period of (1) evaluation of vocational rehabilitation potential; (2) vocational rehabilitation training; and (3) postvocational rehabilitation training (not to exceed 2 months).

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	1 dependent	2 dependents	More than 2 dependents
				The amount in column IV, plus the following for each dependent in excess of 2.
Institutional training:				
Full-time	$241	$298	$351	$26
Three-quarter-time	181	224	263	19
Half-time	120	149	176	13
Farm cooperative, apprentice or other on-job training:				
Full-time	210	254	293	19
Unpaid on-job training or work experience in Federal agency:				
Full-time	241	298	351	26
Evaluation and improvement of vocational rehabilitation potential:				
Full-time	241	298	351	26

"(c) Where the vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to the veteran during the month, directly or indirectly. Based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

"(d) The Administrator shall define full-time and part-time status in the case of all eligible veterans undergoing vocational rehabilitation under this chapter.

"(e) Where the veteran pursues a program on a residential basis in a specialized rehabilitation facility, the Administrator is authorized to pay to such facility the full cost of the veteran's room and board and, in addition, to pay to the veteran that portion of the allowance for dependents payable, as determined by the veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) During the 2 month period following a determination of employability, the veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of vocational training pursued.

"(g) A veteran pursuing an unpaid program of vocational rehabilitation training or work experience in a Federal agency under the provisions of section 1513 of this chapter shall be paid the subsistence rate provided in subsection (b) of this section for a full-time institutional program.

"(h) A veteran pursuing a program of vocational rehabilitation while hospitalized in a Veterans Administration hospital, or other hospital or facility, or while resident in a Veterans Administration domiciliary, shall be paid the subsistence rate provided in subsection (b) of this section for the type of training pursued. Subsistence allowance to veterans resident in a Veterans Administration domicilary shall be withheld and paid upon discharge under the same conditions as set forth in clauses (1) and (2) of subsection (i) of this section.

"(i) The subsistence allowance otherwise payable to a veteran pursuing vocational rehabilitation under this chapter, while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

"(1) if the veteran has no dependents, the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (b) of this section shall be withheld by the Veterans Administration for payment to the veteran upon release from incarceration; or

"(2) if the veteran has dependents, the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (b) of this section shall be withheld by the Veterans Administration for payment to the veteran upon release from incarceration (unless the veteran advises the Veterans Administration in writing that the veteran releases any or all of such withheld funds to the veteran's dependents), and that portion of the allowance payable on account of the veteran's dependents as prescribed in such table shall be paid to the veteran's dependents.

"(j) Payment of subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§ 1506. Counseling

"Subject to regulations which the Administrator shall prescribe, each eligible veteran shall be provided initial counseling and necessary counseling during any period which the veteran is undergoing vocational rehabilitation evaluation, vocational rehabilitation training, or posttraining assistance. Such counseling may include vocational, educational, rehabilitation, psychological, personal adjustment, and employment. Where appropriate, family counseling may be provided.

"§ 1507. Vocational rehabilitation plan

"(a) Each veteran pursuing a program of vocational rehabilitation shall participate in the planning and decision process in formulating a comprehensive, individualized written rehabilitation plan. Such plan shall include (1) a statement of long range goals and intermediate objectives; (2) a statement of the specific services to be provided and a time schedule for the providing of such services; (3) a projected date for completion of necessary rehabilitation; and (4) objective criteria for evaluating the veteran's progress under the plan.

"(b) The plan shall be revised at least annually and, where determined necessary, modified to meet the needs of the veteran.

"§ 1508. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator deems necessary for granting leaves of absence to veterans pursuing vocational rehabilitation training. During authorized leaves of absence, a veteran shall be considered to be pursuing vocational rehabilitation training.

"§ 1509. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator deems necessary to promote satisfactory conduct and cooperation on the part of veterans who are receiving services under this chapter. If the veteran fails to maintain satisfactory conduct or cooperation in the rehabilitation process, and the Administrator determines that discontinuance of rehabilitation on that account is necessary, rehabilitation benefits and services will be terminated until such time as it is determined that the basis for the unsatisfactory conduct or lack of cooperation has been removed.

"§ 1510. Revolving fund loans

"The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of $400 in any case, to veterans pursuing vocational rehabilitation. Such advances, and advances heretofore made, shall bear no interest and shall be repaid in such installments as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

"§ 1511. Vocational rehabilitation for hospitalized persons and veterans

"(a) Vocational rehabilitation may be afforded under this chapter to any person who is hospitalized pending final discharge from the active military, naval, or air service, if such person is otherwise eligible. In such cases, no subsistence allowance shall be payable.

"(b) Vocational rehabilitation may be afforded under this chapter to veterans who are hospitalized at Veterans Administration hospitals or domiciliaries or, where feasible, at any other hospital or medical facility.

"§ 1512. Training outside the United States

"Pursuant to such regulations as the Administrator shall prescribe, vocational rehabilitation training may be provided outside the United States where it is determined that such training is necessary in the particular case to provide the preparation needed to render the veteran employable in a suitable occupation and as is determined to be in the best interest of the veteran and the Federal Government.

"§ 1513. Unpaid training and work experience

"Notwithstanding any other provision of law, the facilities of any Federal agency may be used to provide unpaid training or work experience as part or all of a veteran's program of vocational rehabilitation when the Administrator determines such training or work experience is necessary to accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"§ 1514. Rehabilitation resources

"(a) For the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities, staff and other resources of the VA;

"(2) employ additional personnel and experts, as the Administrator deems necessary; and

"(3) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals. Such use may be procured through contract, agreement, or other cooperative arrangement.

"(b) A program of vocational rehabilitation (including individual courses) to be pursued by the veteran under this chapter shall be subject to the approval of the Administrator.

"§ 1515. Development of employment and on-job training opportunities

"(a) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for service-connected disabled veterans through direct Veterans' Administration staff outreach to employers and through Veterans' Administration coordination with the Federal, State, and local Governmental agencies and appropriate non-Governmental organizations.

"(b) Under regulations the Administrator may prescribe, payments may be made to employers for providing on-job training to veterans in individual instances when the Administrator determines payments to be necessary to obtain the needed on-job training.

"§ 1516. Employment assistance

"(a) A veteran, who is determined to be employable, shall be furnished assistance in obtaining employment suitable to the veterans' handicap, interests, and aptitudes. Such assistance may include (1) direct placement of the veteran in employment; and (2) utilization of placement services of (A) the Rehabilitation Services Administration, Department of Health, Education, and Welfare; (B) the State employment service and the Veterans Employment Service of the Department of Labor; (C) the Office of Personnel Management; and (D) any other public or nonprofit organization having placement services available.

"(b) If a veteran has trained for self-employment under this chapter, the Administrator shall cooperate with the Small Business Administration to assist the veteran to secure a loan for the purchase of equipment needed to establish the veteran's own business. The Administrator may provide license fees required by the veteran to operate the business as authorized by section 1503(4) of this chapter and, where deemed appropriate, may provide the initial tools and equipment required as authorized by section 1503(12) of this chapter.

"(c) The Administrator may furnish an eligible veteran who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies needed by the veteran but not supplied through the State program or other sources.

"§ 1517. Staff training and development

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation staffs engaged in providing vocational rehabilitation services under this chapter. The objective of such training shall be to ensure that vocational rehabilitation services for veterans are provided in accordance with the most advanced knowledge methods and techniques available for the vocational rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training.

"(b) The Administrator shall coordinate with the Commissioner, Rehabilitation Services Administration, Department of Health, Education, and Welfare in planning and carrying out staff training in areas of joint program concern.

"§ 1518. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities to advance the knowledge, methods, techniques, and resources available for use in veterans vocational rehabilitation. For this purpose, the Administrator shall conduct and provide support for the development and/or conduct of—

"(1) studies and research concerning the psychological, social, vocational, industrial, and economic aspects of vocational rehabilitation of handicapped veterans, including new methods of rehabilitation; and

"(2) projects which will provide increased resources and potential for accomplishing the vocational rehabilitation of handicapped veterans.

"(b) For the purpose specified in (a) above, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Secretary, Department of Health, Education, and Welfare, regarding vocational rehabilitation studies, research, and special projects of mutual agency concern."

SEC. 102. Chapter 34 of title 38, United States Code, is amended by—

(1) inserting after section 1686 the following new section:

"§ 1687. Rehabilitation services

"Any compensable service disabled veteran who is found in need of vocational rehabilitation under chapter 31 of this title may elect to pursue a chapter 31 approved vocational rehabilitation plan under this chapter and may be furnished those services set forth in section 1503 (1), (2), (3), (5), (6), (7), (8), (9), (10), (12), and (13) of this title as necessary to carry out the individual's plan."; and

(2) amending the table of sections at the beginning of the chapter by inserting

"1687. Rehabilitation services."

below

"1686. Education loans.".

SEC. 103. Section 1795 of title 38, United States Code, is amended by—

(1) amending clause (4) to read as follows:

"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";

(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and

(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof the following: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of 64 months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided by chapter 31 are required to accomplish the purposes of vocational rehabilitation as set forth in that chapter."

TITLE II—TECHNICAL AMENDMENTS—EFFECTIVE DATE

SEC. 201. Section 1685(b) of title 38, United States Code, is amended by deleting "30" and inserting in lieu thereof "10".

SEC. 202. Section 1781 of title 38, United States Code, is amended by inserting immediately after "36" the following: "or subsistence allowance granted under chapter 31".

SEC. 203. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following: "The 36 month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.".

SEC. 204. The provisions of this Act shall become effective on October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever is later.

SECTION-BY-SECTION ANALYSIS OF PROPOSED DRAFT BILL

The draft bill provides that the Act may be cited as the "Disabled Veterans Rehabilitation Act of 1979."

TITLE I—VOCATIONAL REHABILITATION AMENDMENTS

Section 101 of this title replaces existing chapter 31 of title 38 with new provisions to carry out the recommendations of the Veterans' Administration's study of the provisions of the veterans' vocational rehabilitation program as required by section 307 of Public Law 95-202 (Senate Committee Print No. 26, 95th Congress; House Committee Print No. 167, 95th Congress). The findings and recommendations of this study were adopted by the President in his message to Congress on the status of Vietnam-era veterans (October 10, 1978) where he noted that the chapter 31 vocational rehabilitation program was based on a 1943 model which required "major updating." This draft bill is the legislation which the President pledged in that message to submit to "modernize and improve" that program. The provisions of new chapter 31 are as follows:

Section 1500. Purpose. This section revises the purpose of chapter 31. Current law does not contain a specific congressional mandate of the purpose for which vocational rehabilitation is being provided by the Veterans' Administration. Existing section 1501 does state that the "purpose" is to restore employability lost by virtue of a handicap due to service-connected disability(ies). Nevertheless, the effect of such a narrowly drawn purpose has been to restrict the scope of services which the VA has been allowed to provide the veteran with such a disability and to restrict the category of veterans to be assisted. To be eligible, the veteran first had to be found capable of training to employability. However, many disabled veterans are so severely handicapped that training is not yet feasible. Further, merely restoring employability is not sufficient. The veteran must be assisted in gaining actual employment and maintaining it. For those veterans who are not able to reach employability, the goal is to assure that the individual shall be assisted to the point that he or she may attain maximum independence in the context of normal society. The new statement of purpose in section 1500 is, thus, intended to demonstrate congressional intent that the function of VA vocational rehabilitation is to accomplish those broader goals.

Section 1501. Definitions. This section defines two terms which are used in the revised chapter 31 and which are key concepts.

The first such term is "vocational rehabilitation." In keeping with the expanded intent for the purpose of vocational rehabilitation, as discussed in section 1500 above, the term is more broadly defined than is currently the case in section 1501(2) of title 38.

The new definition incorporates specific references to the categories of services which may be utilized to achieve the goal. This listing includes diagnostic, medical, social, psychological, economic, and vocational services. Such types of services have been routinely provided by the VA in the past where appropriate and their statutory inclusion in the definition is intended to stress their importance. Also the definition is expanded, as is the purpose, to indicate that, for those who can be rendered employable, the goal is to assure that the individual actually finds suitable employment and is assured the opportunity of maintaining it. These aspects of the definition represent an expanded scope of services. Heretofore the VA staff has focused on referral for, and coordination of, employment assistance with special emphasis on the seriously disabled veterans. It is contemplated that the primary role in job placement will still rest with the Department of Labor but, where appropriate to assist a veteran, the Administrator will now have explicit authority to assist directly as well. It is also contemplated that the VA followup procedures will be strengthened to provide the rehabilitated veteran with ongoing assistance in retaining suitable employment.

Finally, the definition reflects the expanded purpose of vocational rehabilitation in that assistance to the severely handicapped individual, who is not capable of training to employability, will be given. This individual will be assisted to reach that level of adjustment consistent with his or her capabilities that can best be described as maximum independence. That is, the individual will be assisted to exploit his or her capabilities to the fullest.

The second key term defined is "employment handicap." As is discussed below, vocational rehabilitation will be provided to a qualified person only if the individual has an employment handicap. The definition states that such a handicap means the individual has limitations imposed by a disability which impairs the veteran's ability to obtain and/or maintain suitable employment. The key elements of this concept are that the limitations must exist at present, there must be a disability which is service-connected (although this impairment to employment may result in combination with other factors such as prior education, work history, or nonservice-connected disabilities) and operate to prevent the person from being suitably employed (or once employed from remaining suitably employed). Such individuals, if otherwise qualified, may be also assisted by the VA through the provisions of chapter 17 of title 38.

Section 1502. Basic entitlement. This section enumerates the criteria for determining whether the veteran is eligible to receive vocational rehabilitation under chapter 31 of title 38. The criteria set out in section 1502(a) are essentially the same as those currently found in section 1502 of title 38 or elsewhere in chapter 31. Instead of limiting the period of service involved to service during World War II and defining that period, the new language merely states that the applicable service is that which occurred after September 16, 1940 (the beginning of the World War II draft).

The requirement of discharge under other than dishonorable conditions is currently contained in section 1503(b)(2) of title 38. The provisions in existing section 1502 regarding education outside of a State have been set forth in new section 1511; the provisions as to work study have been relocated in new section 1503(14); and advance payment has been placed in section 1505(j) in this proposal.

Section 1502(a)(3) indicates that the "handicap" must be an "employment" handicap in keeping with our new statement of purpose and definitions.

Section 1502(b) represents a statutory expansion of the role of the VA in the rehabilitative process. Existing chapter 31 makes no mention of followup services after the veteran is employed, but VA regulations [38 CFR 21.290(D)] state that such services will be provided in individual cases, where necessary. The specific intent of new section 1502(b) goes even further to assure that, if a veteran reaches the point of being "rehabilitated," he or she may receive further rehabilitative services, if new conditions warrant. Occupational requirements or conditions may change or a veteran may have an improved or reduced capacity to train or adjust due to a change in physical or mental condition. Even though he or she has already been trained and found employment, the VA will retrain or assist the veteran to find employment consistent with his or her present capacity and aptitudes. Under existing law such training would not normally be given, because the law only contemplates that the individual will be trained to employability, at which time further VA responsibility ends.

Section 1503. Scope of services. This section lists the various rehabilitative services to be provided by the VA. Some of these services are already being provided under chapter 31 or in cooperation with the Department of Medicine and Surgery under chapter 17 of title 38. However, others are new. In our recent study of chapter 31, "A Study of the Provisions for Veterans Vocational Rehabilitation," an analysis of the services provided under chapter 31 was made in comparison to those offered under the Rehabilitation Act of 1973. The latter is a program available to nonveterans. The analysis revealed that the VA program is more narrowly structured. As a result, some services available under the RSA program are not permitted under the VA program. This is due in part to the fact that chapter 31 is much less specific concerning the services to be provided, indicating only broad categories of service, such as training, medical care, and treatment. It has been necessary to specifiy the available services through VA regulations and one problem in this task has been to interpret the legislative intent of existing section 1501 with respect ot the coverage of the phrase "other necessary incidental services" (i.e., incidental to training).

Therefore, the intent of new section 1503, on scope of services, is to more clearly incidate the full range of services contemplated and to show that they only need to be necessary for "rehabilitation," not training per se. For example, under the current chapter 31 provisions, if a veteran is found not to be feasible for training, no services are provided.

Under the new provisions of section 1503(1) the veteran's potential is to be evaluated and, if it is found that he or she is not feasible for training, services shall be provided to improve his or her potential for rehabilitation (including training). If the veteran is not found feasible for training, he or she will still be assisted to become as independent as possible. Similarly, section 1503(2) provides that counseling shall include not only vocational counseling but educational and personal counseling, since each form of assistance is an integral part of dealing with the veterans' rehabilitation needs.

Section 1503(3) provides for a mutually acceptable rehabilitation plan. While the goal and general plan of rehabilitation are established in counseling under present procedures, determination with the veteran of the specific training plan to be followed and implementation of the training plan are the responsibility of the vocational rehabilitation specialist. The new procedures stress the veteran's role in formulating the plan (see section 1507 discussion below).

In the process of providing training to the veteran, various aids and items are needed. Subsection 1503(4) enumerates those items which are routinely provided for the training phase of rehabilitation.

Existing section 1506 of title 38 gives authority for providing medical services and related services to rehabilitation recipients. New section 1503(5), (6), and (7) enumerate these services in a somewhat more detailed manner, although they are already being provided under the current program.

In keeping with the expanded purpose of rehabilitation, section 1503(8) specifically provides authority to affect job placement and to give postplacement services.

Section 1503(9) will permit family counseling in a limited number of instances where determined necessary.

Section 1503(10) deals with services including those needed by the blind or deaf. Current provisions of chapter 31 do not specifically provide for these special services for the blind and deaf. However, it does authorize the furnishing of necessary services incidental to training, and under this authority, reader service for the blind during training is provided as a vocational rehabilitation service (38 CFR 21.279). Comprehensive adjustment programs, rehabilitation teaching services, orientation and mobility services for blinded veterans are provided as medical rehabilitation services at VA blind rehabilitation centers under the jurisdiction of the Department of Medicine and Surgery and are available to any blinded veteran who has a service-connected disability, including veterans under chapter 31. Where necessary for a veteran under chapter 31, such services may be obtained on a contract basis from an agency in the community.

No specific provision is made in law or VA regulations for interpreter services for the deaf, but in practice these services are provided under the same authority as reader service.

Section 1503(10)(C) provides telecommunication, sensory, and other technological aids and devices. The Rehabilitation Act of 1973 [section 130(a)(1)] specifies that these aids and devices will be provided as a vocational rehabilitation service. Chapter 31 currently contains no specific provision with regard to these aids, but they are furnished for purposes of vocational rehabilitation under the general authority in existing section 1509 of the chapter regarding the furnishing of equipment for training. When required for purposes of medical care and treatment, they are presently furnished under the authority of chapter 17 of title 38. Again, the new provisions merely codify longstanding services.

For a discussion of the intent of section 1503(11), see the analysis of section 1505 infra.

Section 1503(12) is intended to permit the Administrator to provide certain supplies to severely disabled veterans who either trained in the home or who are becoming self employed. It should be noted that these items are different from the similar items provided in section 1503(4). The latter are intended to aid the veteran to train whereas the items in clause (12) are to enable him or her to actually begin a business enterprise. It should also be noted that the items available under clause (12) are only the minimum needed for startup and are available to only a limited category of disabled veterans. It is intended that the Administrator will, by regulation, limit the costs and restrict the scope of these items to only those which are most necessary.

Section 1503(13) concerns transportation costs. The Rehabilitation Act of 1973 [section 103(a)(10)] specifies that transportation may be provided in connection with the rendering of any vocational rehabilitation service. This may include regular transportation to and from the place of training. Under the family services provision, transportation may also be provided for a family member when necessary in connection with the rehabilitation of the handicapped person. No specific provision is made concerning transportation in chapter 31, title 38, United States Code. However, chapter 1, title 38, United States Code (section 111) specifies that the costs of the veteran's travel expenses in connection with vocational rehabilitation and the travel expenses of an attendant, if one is necessary, may be paid. Under this authority, VA regulations (38 CFR 21.266, 21.267, 21.268 and 21.274) provide for payment of the cost of travel in connection with medical treatment, counseling, and certain designated limited travel to and from the place of training.

The cost of daily transportation to and from the place of training has been paid by the veteran from the monthly subsistence allowance, even if costs above normal are involved because of special transportation problems associated with the disability. The client of the State rehabilitation agency, on the other hand, may get a transportation allowance, and transportation may be paid in connection with the rendering of any vocational rehabilitation services, for example, during the job placement and initial employment stages.

Subsection 1503(13) thus expands the scope of the service to accord with our broader purpose of providing full services including pre- and posttraining services.

The other clauses in section 1503 are merely an enumeration of some of the services presently provided under chapter 31 as "other necessary indcidental services." The material in section 1503(14) on work study, for example, is currently in section 1502 and the material in section 1503(15) references the loan program currently in section 1507 (now in section 1510 of this proposal).

Section 1504. Duration of services. This section details the duration of time during which services will be provided. The evaluation period following counseling to determine the veteran's rehabilitation potential may not exceed 12 months. Following the veteran's introduction into a program of rehabilitation, services are limited to a basic period of 64 months. In either case the Administrator may determine that the veteran shall be accorded services for a longer period where appropriate. The first provision is new, while the second is a liberalization of current law. The present basic period of benefits is limited to a maximum of 48 months and there is no provision for benefits prior to a determination of feasibility to train under existing section 1503 of title 38. The present basic period can be extended under specified circumstances. The new provisions continue to permit the Administrator to grant such extensions.

Enactment of this section establishes as the maximum the length of training currently generally required for postsecondary education through the master's degree level. There is a need to raise the general limit on training time for two reasons. First, educational practices have changed so that 12 semester hours and 9 semester hours are generally accepted as constituting full time undergraduate and graduate course loads, respectively, but without a reduction in the number of credits required for graduation. As a result, 45 months, instead of 36, may be needed to complete an undergraduate program and 18 months, instead of 12, may be needed to achieve a master's degree. The latter is the qualification needed for entry into many professional occupations and is the level of training required for the restoration of employability in many chapter 31 cases. Second, the maximum training time under the GI Bill was previously extended from 36 months to 45 months to accord with the change in education practices. It is desirable to change chapter 31 to enable the veteran to obtain both an undergraduate degree (45 months) and a graduate degree (18 months). A total of 64 months of training accomplishes his goal and restores the previous comparative ratio to chapter 34 entitlement.

Authorization of the 12 months of services for the certified period of evaluation is to implement the expanded scope of rehabilitation discussed above.

It should be pointed out that in enacting the new provisions of this section, the time limitations for the utilization of the program have been removed.

Under current law, a veteran may receive vocational rehabilitation assistance within 9 years from the date of discharge. This basic period may be extended 4 years if the veteran was prevented from entering or completing vocational rehabilitation within the 9-year basic period because of medical infeasibility of training, late establishment of compensable service-connected disability, or late upgrading of discharge. In the case of blinded or otherwise seriously disabled veterans, vocational rehabilitation may be provided beyond the basic or extended termination date if the Veterans' Administration determines this is necessary because of the veteran's disability and need for vocational rehabilitation.

We have found that this results in the denial of Veterans' Administration vocational rehabilitation services and benefits to some veterans who are in need of, and otherwise entitled to, such rehabilitation. An example is the case of a veteran who was discharged in 1955, and received a zero percent disability award for a back condition. Since the disability was of less than compensable degree, the veteran was ineligible for consideration for vocational rehabilitation. In 1974, the veteran's rating was increased to 20 percent. The veteran applied for vocational rehabilitation benefits in 1977. The veteran had been employed in the heavy equipment field as a machine operator, but had to leave this employment because of the worsened condition and was unemployed at the time of application. No benefits could be granted this veteran since the veteran's 9-year period following discharge had long since expired as had the additional potential 4-year period based upon the worsening condition. Thus, this veteran, who was in need of vocational rehabilitation based upon a service-incurred disability was denied this benefit.

It should be pointed out that veterans vocational rehabilitation services and benefits differ radically from benefits granted for "readjustment" purposes as is the case under the GI Bill which allows a 10-year time period within which to use entitlement. Vocational rehabilitation should, we believe, be permitted to be utilized at any time that it is established it is needed and that the individual can profit from it in terms of achieving employability and employment. Thus, eliminating the termination dates, as has been provided here, would have the advantage of greatly simplifying the administrative procedures required to determine eligibility and would make this valuable aid available to the veteran at any time it is established there is an employment handicap resulting from disability. It should be emphasized that the Veterans' Administration intends, consistent with the goals of rehabilitation, to encourage disabled veterans to enter such training at the earliest appropriate time.

Section 1505. Subsistence allowances. This section (like current section 1504) prescribes the rate of subsistence allowance payable for veterans pursuing various programs of vocational rehabilitation under chapter 31. The basic rates are unchanged from those set forth in current law. However, two new categories have been inserted in the rate tables and certain other changes have been made.

Subsection (a) provides that subsistence allowances shall be payable during certified periods of evaluation and improvement of the veteran's potential for vocational rehabilitation and periods of training. Such allowance shall not exceed 2 months following the rehabilitation training program. This language is similar to that contained in current law except it provides for payment of benefits during any certified evaluation period—a period of time not included within the scope of present law.

Subsection (b) sets forth the table of rates payable for institutional, farm cooperative, onjob, unpaid onjob training or work experience in Federal agencies, and any necessary evaluation period. The rates payable for the first three categories are unchanged. However, as noted above, new provisions have been added to cover the two new areas involving the training period for those individuals performing unpaid onjob or work experience in the Federal Government and for the evaluation period.

Under current law, veterans may be provided unpaid training or work experience in Federal agencies when this is determined to be necessary to accomplish vocational rehabilitation. However, the law does not specify the rate of subsistence allowance to be authorized under these circumstances. Since the training is essentially of an onjob nature, it was determined these individuals should be paid the onjob rate. This does not appear to be appropriate, however, since these individuals are in an unpaid status—unlike regular onjob trainees who receive a wage while performing services. The lower rate of subsistence allowance thus serves as a deterrent for the use of this mode of training by many veterans for whom it would be very appropriate. Provision is made, therefore, for the payment to these individuals of the full-time institutional rate in lieu of the lower onjob rate.

Payment of subsistence allowance during the evaluation period (described earlier in this analysis) is also authorized.

Subsection (c) is virtually identical with current provisions of law. It requires an employer, where the program pursued is onjob training, to submit monthly statements to the Administrator showing the amount of wages being paid. This permits reduction of the subsistence allowance where determined appropriate.

Subsection (d) is similar to current law. It authorizes the Administrator to define full-time and part-time training in the case of veterans pursuing vocational rehabilitation.

Subsection (e) contains a new provision for the payment of expenses for those individuals pursuing programs of vocational training, on a residential basis, in a specialized rehabilitation facility.

The purpose of subsistence allowance under chapter 31 is to assist the veteran in meeting ordinary living expenses (food, clothing, lodging) while pursuing vocational rehabilitation. A special situation arises when the veteran is in a special rehabilitation facility for purposes of special restorative training under chapter 31. Costs in such situations are paid by the Veterans' Administration on the same basis as the cost of other training services—subsistence allowance at the institutional rate. The problem is that the cost of room and board at many of these centers providing comprehensive rehabilitation services is not comparable with costs of room and board during attendance at a regular educational institution. Thus, provision is made in the new section to authorize the Veterans' Administration to pay the total cost of the room and board which the institution provides the veteran. In addition, subsistence allowance otherwise payable to the dependents of such a veteran would also be authorized.

Subsection (f) provides that during the 2-month period following a determination that the veteran is employable, the veterans shall be paid at the full-time rate for the type of vocational training being pursued. This provision will permit those veterans who are training on less than a full-time basis to be paid the full-time rate during the period following the determination of employability. For the veteran who has been in part-time training and working concurrently, the part-time subsistence allowance is not likely to be sufficient to allow the veteran to leave the job and devote full time to looking for suitable employment in the objective for which rehabilitation has been provided. In some cases, a veteran has been in full-time training for most of the training program and then reduces to part-time training because fewer courses are needed to complete training or for other reasons. This results in a lower rate of posttraining pay, thereby defeating the intent of the provision. Payment of subsistence allowance at the full-time rate in all cases appears to be the most equitable and administratively simple method of providing the assistance toward suitable employment for which posttraining pay is intended.

Subsection (g) merely sets forth the basis for the rate to be paid trainees in the table in subsection (b) when the individual is in unpaid training in a Federal agency. The justification for this rate of payment is set forth above in the discussion of that subsection.

Subsection (h) would permit the payment of subsistence allowances to veterans who are in Veterans' Administration hospitals, in other hospitals or facilities, and VA domiciliaries. Withholding and subsequent payment of benefits to those in the latter category would be limited by the conditions prescribed and discussed below in subsection (i)(1) and (2). Current law bars payment of subsistence allowance to veterans pursuing training while hospitalized pending final discharge from active military service and this would be continued by the bar which is contained in section 1511 of the proposed bill. Current practice has been to also prohibit the payment of subsistence to veterans in VA hospitals or domiciliaries who are enrolled in chapter 31 training. There are no comparable provisions barring payment of chapter 34 or 35 educational benefits to similarly situated veterans and dependents which results in an inequity. Thus, provision is made in this subsection for payment of subsistence allowance to those veterans in VA hospitals, other hospitals or facilities, or VA domiciliaries who are pursuing vocational rehabilitation. The rate would be based upon the type of pursuit.

Subsection (i) provides limitations on the payment of subsistence allowances otherwise payable in the case of veterans pursuing vocational rehabilitation while incarcerated in a Federal, State, county, or local prison or jail. There is presently in the law no established policy for the payment of subsistence allowance under these conditions. The new subsection would provide that where the veteran is incarcerated, the subsistence allowance of a veteran without dependents shall be withheld by the Veterans' Administration and paid to the individual upon release from incarceration. Where the veteran has dependents, the amount of subsistence allowance payable to a veteran without dependents would be withheld and paid upon release unless the veteran authorizes the Administrator, in writing, to pay all or part of such moneys to the veteran's dependents. That portion of the allowance payable on account of the veteran's dependents would, in either case, be paid to the veteran's dependents.

A number of complaints have been received from prison officials concerning excess funds paid to prisoners by the VA. They have advised that this additional money has caused problems with regard to narcotics, thefts, etc. This provision would help the family while the veteran is in prison, assist the veteran on release from incarceration, and alleviate some of the morale problems created by the availability of these funds to prisoners.

Subsection (j) provides that the payment of subsistence allowance may be made in advance if the veteran meets the requirements of section 1780(d) of title 38. That section prescribes the appropriate procedures to be followed in applying for advance payment. This is already permitted under current law.

Section 1506. Counseling. This section delineates the scope of counseling to be provided to the veteran. The provisions are in subsistence the same as those under the current law with two exceptions. First, as noted previously in the discussion of section 1503(2), the counseling may include personal adjustment counseling (not presently explicitly permitted in current section 1501(2) of title 38). Second, it permits counseling of veterans during the preliminary evaluation stage before feasibility for rehabilitation is determined, which is also not presently permitted by the statute. Family counseling, psychological counseling and employment counseling are also made explicitly available although such aid has been given to a limited extent as a part of vocational counseling under existing law. The general intent of this section is to make clear that the whole veteran must be considered in effecting rehabilitation and not just his or her educational or vocational needs, as might have been inferred from current statutory authority.

Section 1507. Vocational rehabilitation plan. This section sets forth the basic requirements for a rehabilitation plan and the minimum contents of it.

Under current practice, the vocational rehabilitation plan has been limited to the training services to be provided. As a result of the broadened scope of services which may be authorized under the new section 1502, all of these services necessary for the veteran's rehabilitation will be included, rather than only training.

An individual written program is not specifically required by current chapter 31, but is required by VA regulation (38 CFR 21.212). The plan is detailed, showing the objective to be attained, the type of training to be pursued, the component elements of the training, their duration, etc. Under mandatory VA Procedures (M22-1, Part II, chapter 3), the veteran is given a copy of the program, and it is reviewed as necessary in the course of the vocational rehabilitation specialist's periodic contact with the veteran during training.

Section 1502 of title 38 currently provides that the veteran will be furnished such vocational rehabilitation as may be prescribed by the Administrator, but the process by which a veteran's program is developed is not one of "prescription." The veteran has the opportunity for full participation in the planning and decision process. The program may be said to be "prescribed" only in the sense that VA approval under chapter 31 will not be given to a program that is not judged by VA rehabilitation staff to hold reasonable promise of rendering the veteran suitably employable. When differences arise that cannot be resolved, the veteran has the right of appeal to the Board of Veterans' Appeals. New subsection 1503(3) makes explicit the present practice of providing a plan and emphasizes the veteran's need to have a voice in its determination. The plan is not, as might be implied by existing law, an ex parte determination of the VA.

Section 1508. Leaves of absence. This section defines the Administrator's authority in reference to leaves of absence. The new provisions permit the Administrator to have broader discretion in continuing benefits to the disabled veteran during periods of nontraining than the current provisions found in section 1505 of title 38. The latter section limits such leaves to no more than 30 days in one 12-month period. The new provisions recognize that in some cases that limit is too restrictive, as where the severely disabled veteran is too ill to train temporarily.

Section 1509. Regulations to promote satisfactory conduct and cooperation. This section defines the rule to be applied as to the veteran's satisfactory progress and conduct. Existing chapter 31 contains no provision regarding unsatisfactory progress, but does provide (section 1508) that the veteran must adhere to rules and regulations promulgated by the Administrator to promote good conduct and cooperation on the part of trainees. It further provides that in the event of breach of such rules and regulations, the trainee may be required to forfeit 3 months of subsistence allowance otherwise payable or be permanently disqualified for further vocational rehabilitation.

Existing section 1508 penalties for unsatisfactory conduct and cooperation are harsher than those in the other chapters and thus should be modified. The forfeiture of 3 months of subsistence allowance, though intended as a lesser penalty than discontinuance of training, in reality may often be tantamount to the latter, because the resulting economic hardship on the veteran makes it impossible for him or her to remain in training. Permanent disqualification from vocational rehabilitation on the basis of unsatisfactory conduct or lack of cooperation has no counterpart in chapter 34 or chapter 35. Accordingly, as in the case of the latter chapters, chapter 31 is amended to allow for reentrance into training on elimination of the unsatisfactory conduct or lack of cooperation. The revised section 1509 removes this objectionable penalty and places the determination for discontinuance of benefits in the hands of the Administrator.

Section 1510. Revolving fund loans. This section replaces existing section 1507 regarding revolving fund loans and increases the amount of such loans to $400. Experience indicates that the chapter 31 veteran sometimes has economic problems in regard to maintenance while in training. The number of loans made from the revolving loan fund increased 50 percent (from 3,785 to 5,722) during the period 1972–77, while the number of chapter 31 trainees during that period increased only 5 percent (from 31,635 to 33,231). There is reason to believe that, had it not been for money stringencies affecting the resources in the fund, the number of loans made in 1977 might have been even greater. And, as reported by field stations, the $200 maximum loan is frequently not enough to meet the student's need.

Increasing the maximum amount of loan from the revolving fund will help to ameliorate financial problems in some cases.

Section 1511. Vocational rehabilitation for hospitalized persons and veterans. This section concerns vocational rehabilitation of persons hospitalized pending final discharge from the armed services and those hospitalized elsewhere after discharge. The provisions of subsection (a) are substantially the same as those found in existing section 1510 of title 38. Subsection (b) merely codifies longstanding VA practice as to beginning the vocational rehabilitative process while the veteran is still hospitalized for the disabilities and now permits this subsistence allowance to be given regardless of whether the hospital is VA or otherwise.

Section 1512. Training outside the United States. This section revises the rules regarding training outside the United States. Chapter 31 [section 1502(c)] currently provides that vocational rehabilitation may not be afforded outside of a State to a veteran on account of post-World War II service if the veteran, at the time of such service, was not a citizen of the United States. Since the only exclusion specified is post-World War II, noncitizen, the intent appears to be that training outside of a State may be authorized for all others; that is, post-World War II citizen, World War II citizen, and World War II noncitizen. However, VA regulations [38 CFR 21-20(C)] further limits the availability of chapter 31 training in a foreign country other than the Philippines by specifying that such training may be authorized only if adequate training for the selected objective is not available in the United States or its possessions and if training is pursued under the direct supervision of a representative of the VA.

This regulatory restriction on foreign training is based on the fact that with few exceptions the training needs of veterans can be met in this country, and on the VA determination that the VA must be in a position to furnish assistance and monitor progress during the period of rehabilitation training. While the latter principle is sound, it has essentially ruled out the possibility of foreign training because the VA has no offices in foreign countries (other than the Philippines). The issue is a troublesome one, because as the number of Americans training abroad has increased, an increasing (though small) number of chapter 31 veterans has requested approval to study outside the United States. Some of the cases are meritorious, as in the case of an archeology student or students in certain specialized art fields. In such cases, it is considered appropriate that the VA make arrangements through contract or otherwise for the necessary training assistance and supervision. Consequently, new section 1512 removes the restrictions noted above and gives the Administrator greater flexibility in meeting the veteran's legitimate rehabilitation needs.

Section 1513. Unpaid training and work experience. This section restates and modifies the rules found in existing section 1511 of chapter 31, whereby veterans may be provided unpaid training or work experience in Federal agencies when this is determined to be necessary to accomplish vocational rehabilitation. However, the law does not specify the rate of subsistence to be authorized under this circumstance. In the absence of such specification, the VA by policy (DVB Circular 20-77-43), has determined that, under present law, the on-job training subsistence allowance rate must be paid, since the training is essentially of an onjob nature. However, this is inadequate because the amount of subsistence allowance established by law for regular onjob training is intended to cover situations where the trainee is also getting a wage from the employer. As such, the rate is lower than the institutional rate. As reported by VA counseling and rehabilitation staff, the low rate of subsistence currently authorized for nonpay Federal agency training is a serious deterrent to use of this mode of training by veterans for whom it would be very appropriate particularly since it offers the advantage of noncompetitive appointment to a Federal position. Removal of this deterrent is accomplished by the revised provisions of new section 1513 and the provision in section 1505(g) discussed previously. The latter provides that persons so training may be paid at full-time institutional rates.

Section 1514. Rehabilitation resources. This section is a restatement of the balance of the provisions presently found in section 1511 of title 38. Subsection (a), while similar in nature to existing subsections 1511(1)-(5), is somewhat broader in that the language intends to convey discretionary authority to the Administrator to utilize all appropriate resources, including VA staff and other resources, private sector resources, and services of Federal-State organizations. The latter resources are not specifically mentioned in current law. Subsection (b) makes explicit longstanding VA practice which has been to have the Administrator approve the training courses.

Section 1515. Development of employment and onjob training opportunities. This section is new. It provides that the Administrator shall assist in the development of onjob training opportunities for veterans. To that end, the VA may make incentive payments to employers to induce them to create more such opportunities.

Section 304(d) of the Rehabilitation Act of 1973 provides for the Secretary, DHEW to make contracts or jointly financed arrangements with employers and organizations to establish projects designed to prepare handicapped persons, especially the severely handicapped, for employment in the competitive labor market. Under these arrangements, handicapped individuals are provided training and employment in a realistic work setting. Individuals are provided necessary restorative services and training in skills required by a particular industry and it is expected that upon completion of training they will be employed within that industry. There is no authority today under chapter 31 for undertaking such programs.

This type of contractual arrangement with employers provides an opportunity for expanding onjob training (and employment) possibilities and represents one form of arrangement for paying employers for the costs of such training. While group training arrangements are not feasible for use in the veterans vocational rehabilitation program to the same extent as in the much larger State-Federal program, the authority to make such arrangements, where feasible, should be available to the VA.

Similar arrangements are allowed in the CETA program and recent tax legislation provides the employer with a tax credit for costs of such programs. It is contemplated that the VA effort will be implemented in a manner complimentary to those programs.

Section 1516. Employment assistance. This section is also new. In keeping with the expanded concept of the role of rehabilitation for the service disabled, it is necessary to give the Administrator an active role in the employment area in conjunction with the Department of Labor.

Vocational rehabilitation is not accomplished until the veteran has become a satisfactory and satisfied employee in a suitable occupation. Given the continuing high rates of unemployment, disabled veterans need all possible help in obtaining suitable jobs. Rehabilitation staff who have worked with the disabled veteran throughout the rehabilitation process are in the best position to serve as his or her advocate with prospective employers and to ensure proper selective placement in a suitable job.

The overriding consideration remains that employment placement and adjustment services are integral functions of rehabilitation and, as such, are the responsibility of the rehabilitation agency. The VA, in discharging this responsibility, should utilize all available job placement resources in a comprehensive effort on behalf of the client and should carry out its job development and placement activities in a coordinated effort with other concerned agencies, especially the Rehabilitation Services Administration of the Department of Health, Education, and Welfare, the Veterans Employment Service of the Department of Labor, the State employment services, and the U.S. Office of Personnel Management.

Section 1517. Staff training and development. This section provides explicit authority to the VA to devote resources to vocational rehabilitation staff training and development.

Staff development for VA counseling and rehabilitation staff should be expanded to insure that the practices and methods utilized in veterans vocational rehabilitation program are in accord with modern concepts and advanced knowledged in the field of rehabilitation. In this connection, in order to supplement the limited authority of the Government Employees Training Act, the Administrator is authorized to make grants to and contract with public or nonprofit agencies (including institutions of higher learning) to conduct training sessions. It is intended that there be cooperation between the VA and the State-Federal program in planning and carrying out staff training in areas of joint program concern.

Section 1518. Rehabilitation research and special projects. This section expands the Administrator's authority to engage in rehabilitation research and special projects. Under section 304(b)(2) of the Rehabilitation Act of 1973, grants may be made for the purpose of paying all or part of the cost of special projects and demonstrations and research and evaluation in connection with special projects and demonstrations for applying new types of patterns of services or devices, including opportunities for new careers for handicapped individuals. No special project grants are available under existing chapter 31.

The initial RSA special projects focused primarily on the following target populations: The older blind, the deaf who have not achieved their maximum vocational potential, and people with spinal cord injuries. The basic purpose of this category of RSA grants is to expand or otherwise improve vocational rehabilitation services for groups of severely handicapped persons. In view of these RSA grants, separate projects of this kind on behalf of veterans are not considered necessary, but a need for authority to make grants in other areas of value in veteran rehabilitation is recognized by this new provision.

Section 102 of title I of the bill amends chapter 34 of title 38 to add a new section 1687. This new section has the effect of permitting a veteran, with a compensable service-connected disability, who is training under chapter 34, to receive vocational rehabilitation services authorized under chapter 31. That individual must be found in need of vocational rehabilitation, however, and must have an approved vocational rehabilitation plan. The individual would, subject to the normal limitations of chapter 34, receive monetary benefits at the higher chapter 34 rates prescribed in section 1682 of title 38. This will have the effect of removing the present disincentive to utilizing the rehabilitation services provided under chapter 31.

Many disabled veterans attending State funded schools, where tuition and fees are fairly low and are, therefore, not a real factor, elect to train under the chapter 34 program because the assistance rate payable is higher even though they must pay their own tuition and fees. This has the effect of denying them the additional services provided to a chapter 31 trainee. Since our goal is to ensure that all compensable service-disabled veterans with an employment handicap receive such services, the proposed change allows the veteran to do so while training under chapter 34.

Section 103 would amend section 1795 of title 38 to provide that limitations on periods of educational assistance under two or more VA programs shall include chapter 32. In addition, the proposed revision limits the furnishing of benefits under other educational programs together with assistance under chapter 31 to a total of 64 months unless the Administrator determines that additional months of benefits under chapter 31 are required to accomplish the purposes of vocational rehabilitation under that chapter. A veteran could have a service-connected disability which is compensable, but does not present him or her with any employment handicap, and the individual trains under chapter 34 for 45 months. In subsequent years, the veteran's disability develops to a stage where the veteran is unable to remain employed. Such a veteran, under the change, could be granted additional months of training under chapter 31 for a minimum of 19 months or for a longer period of time if the Administrator determines in this particular instance that further chapter 31 training is required to aid this veteran.

Current section 1795 limits total entitlement accorded a person eligible under two or more VA educational programs to 48 months. However, clause (4), which was enacted earlier in time, fails to include the new chapter 32 program in this limitation. Thus, a veteran eligible for 36 months of benefits under chapter 32 could, under current law, if eligible, receive an additional 48 months of benefits under current chapter 31 and/or 45 months under chapter 35. The amendment, thus, includes chapter 32 to make it consistent with congressional intent to restrict multiple benefits and also recognizes the extension of the chapter 31 entitlement to 64.

TITLE II—TECHNICAL AMENDMENTS—EFFECTIVE DATE

Section 201 amends section 1685 of title 38 to make all compensable disabled veterans eligible for priority consideration under the work-study program. This is compatible with amendments to eligibility requirements for vocational rehabilitation benefits provided in Public Law 93-508.

Section 202 proposes to amend section 1781 of title 38 to bar the receipt of subsistence allowance under chapter 31 concurrently with active duty service or while training under the Government Employees Training Act. This is consistent with the limitations imposed in other education programs to bar the double payment.

Section 203 would amend section 1631(a)(1) of title 38 to reflect the limitation on the number of months of benefits an individual may receive under two or more education programs administered by the Veterans Administration provided under section 103 of the draft bill.

Section 204 sets the effective date of the measure as October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever is later.

III

AMENDMENT NO. 1661

Purpose: To amend title 38, United States Code, to improve, expand, and modernize the program of vocational rehabilitation for service-connected disabled veterans under chapter 31 of such title; and to provide for a pilot program of independent living services for certain severely disabled veterans under such chapter; and for other purposes.

IN THE SENATE OF THE UNITED STATES—96th Cong., 2d Sess.

S. 1188

To improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

February 19 (legislative day, January 3), 1980

Referred to the Committee on Veterans' Affairs and ordered to be printed

AMENDMENTS intended to be proposed by Mr. CRANSTON

Viz: On page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1980".

TITLE I—REHABILITATION AMENDMENTS

SEC. 101. (a) Chapter 31 of title 38, United States Code, is amended to read as follows:

"CHAPTER 31—TRAINING AND REHABILITATION FOR SERVICE-CONNECTED DISABLED VETERANS

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Periods of eligibility.
"1504. Scope of services and assistance.
"1505. Duration of rehabilitation programs.
"1506. Initial and extended evaluations; determinations regarding serious employment handicap.
"1507. Individualized vocational rehabilitation plan.
"1508. Allowances.
"1509. Entitlement to independent living services and assistance.
"1510. Leaves of absence.
"1511. Regulations to promote satisfactory conduct and cooperation.
"1512. Revolving fund loans.
"1513. Books, supplies, and equipment.
"1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans.
"1515. Vocational rehabilitation outside the United States.
"1516. Rehabilitation resources.
"1517. Employment assistance.
"1518. Personnel training and development.
"1519. Rehabilitation research and special projects.
"1520. Pilot program of independent living services and assistance.
"1521. Veterans' Advisory Committee on Rehabilitation.

"§ 1500. Purpose

"The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in the functions of daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(1) The term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities of a veteran.

"(2) The term 'program of education' has the meaning provided in section 1652(b) of this title.

"(3) The term 'program of independent living services and assistance' includes both (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in the functions of daily living, including, but not limited to, such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in such functions, and (B) the assistance authorized by this chapter for such veteran.

"(4) The term 'rehabilitated' means rendered employable in the occupation for which a vocational rehabilitation program has been provided under this chapter.

"(5) The term 'rehabilitation program' means (A) a vocational rehabilitation program, or (B)(i) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be feasible, and (ii) the assistance authorized by this chapter for such veteran.

"(6) The term 'serious employment handicap' means a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

"(7) The term 'vocational goal' means a gainful employment status that is consistent with an individual's abilities, aptitudes, and interests.

"(8) The term 'vocational rehabilitation program' includes both (A) the services provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including, but not limited to, such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed in order (i) to determine whether a vocational goal is feasible for a veteran, (ii) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (iii) in the case of a veteran for whom a vocational goal is determined to be feasible, to enable such veteran to achieve maximum independence in the functions of daily living and to become, to the maximum extent feasible, employable and to obtain and maintain suitable employment, and (B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.

"§ 1502. Basic entitlement

"A veteran shall be entitled to rehabilitation under the terms and conditions of this chapter if such veteran—

"(1) has a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; and

"(2) was released from active military, naval, or air service under conditions other than dishonorable or is, pending discharge, hospitalized in a hospital over which the Secretary of Defense has jurisdiction.

"§ 1503. Periods of eligibility

"(a) Unless a longer period of eligibility is authorized pursuant to subsection (b), (c), or (d) of this section, educational assistance or rehabilitation may not be afforded to a veteran under this chapter after the end of the ten-year period beginning on the date of such veteran's discharge or release.

"(b)(1) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because a medical condition made it infeasible for such veteran to participate in such a program, the ten-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.

"(2) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because (A) such veteran had not met the requirement of a discharge or release under conditions other than dishonorable before (i) a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, (ii) a correction of the military records of the service department concerned under section 1552 of title 10, or (iii) other corrective action by competent authority, or (B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar to such benefits, the ten-year period of eligibility shall run from the date on which such veteran's discharge or dismissal was so changed, corrected, or modified or the Administrator made such determination, as appropriate.

"(3) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability which is compensable under chapter 11 of this title and such veteran has a serious employment handicap, vocational rehabilitation may be afforded such veteran during the ten-year period beginning on the date on which notification is mailed to such veteran that it has been determined that such disability exists.

"(c) A veteran who is in need of services to overcome a serious employment handicap may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines an extension of the applicable period of eligibility to be necessary for such veteran based upon such veteran's particular employment handicap and need for such services if—

"(1) such veteran had not previously been rehabilitated under this chapter;

"(2) such veteran had previously been rehabilitated under this chapter but (A) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities, or (B) such need for such services has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran previously received vocational rehabilitation under this chapter; or

"(3) the Administrator determines, under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to carry out the purposes of this chapter.

"(d) A veteran whose disability or disabilities are so severe that a vocational goal for such veteran is determined not to be feasible may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence.

"§ 1504. Scope of services and assistance

"(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe, shall include—

"(1) evaluation of the potential for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate;

"(2) educational, vocational, psychological, employment, and personal adjustment counseling;

"(3) an allowance and other appropriate assistance, as authorized by section 1508 of this title;

"(4) a work study allowance as authorized by section 1685 of this title;

"(5) placement services to effect suitable placement in employment, and postplacement services to attempt to assure satisfactory adjustment in employment;

"(6) personal adjustment and work adjustment training;

"(7) vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case;

"(8) loans as authorized by section 1511 of this title;

"(9) treatment, care and services described in chapter 17 of this title;

"(10) prosthetic appliances, eyeglasses, and other corrective and assistive devices;

"(11) services to a veteran's family as necessary for the effective rehabilitation of such veteran;

"(12) for the most severely disabled veterans requiring homebound training or self employment, or both homebound training and self employment, such license fees, essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the furnishing of such fees, equipment, supplies, and stocks;

"(13) travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage; and

"(14) special services related to blindness and deafness, such as

"(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

"(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

"(C) telecommunications, sensory, and other technical aids and devices.

"(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796).

"(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

"§ 1505. Duration of rehabilitation programs

"(a) The period of time for extended evaluation to evaluate or to improve the rehabilitation potential of a veteran for whom the feasibility of achieving a vocational goal is undetermined may not exceed twelve months, except that such period of time may be extended for additional periods of up to six months each if the Administrator determines that, during the extended period concerned, it is reasonably likely that a determination can be made with respect to such veteran as to whether the achievement of a vocational goal is feasible.

"(b) Except as provided in subsection (c) of this section, a vocational rehabilitation program for a veteran under this chapter following a determination of the feasibility of achieving a vocational goal may not exceed forty-eight months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be extended for an additional period not to exceed eighteen months.

"(c) The Administrator may extend further the period of vocational rehabilitation for a veteran with a serious employment handicap under the circumstances described in clause (2) or (3) of section 1503(c) of this title to the extent that an extension of such period is necessary to enable such veteran to achieve a vocational goal.

"(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial improvement in a veteran's ability to live and function independently, a program of independent living services and assistance for a veteran under this chapter following a determination that such veteran's disability or disabilities are so severe that the achievement of a vocational goal is not feasible may not exceed twenty-four months.

"§1506. Initial and extended evaluations; determinations regarding serious employment handicap

"(a) A veteran with a service-connected disability who applies for benefits under this chapter shall be provided with an initial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary to determine whether such veteran has or may have a serious employment handicap.

"(b) A veteran as to whom it is determined under subsection (a) of this section that a serious employment handicap exists or may exist shall be provided with extended evaluation consisting of services described in section 1504(a)(1) of this title, such services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed to achieve a vocational goal, and appropriate assistance as authorized by section 1508 of this title.

"(c) Not later than the end of the period of extended evaluation for a veteran under subsection (b) of this section (including any extensions under section 1505(a) of this title), the Administrator shall determine whether such veteran has a serious employment handicap; and a veteran who is determined to have a serious employment handicap and as to whom it is determined that the achievement of a vocational goal is feasible shall be provided with an individualized written plan of vocational rehabilitation and shall be afforded counseling in accordance with such plan.

"(d) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of services and assistance under this chapter to such veteran.

"§ 1507. Individualized vocational rehabilitation plan

"(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(c) of this title. Such plan shall be developed jointly with such veteran, and shall include, but not be limited to (1) a statement of long range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) the name and business address and telephone number of the Veterans' Administration employee assigned responsibility for the management and followup of the provision of such services and assistance to such veteran.

"(b) The plan formulated under subsection (a) of this section for a veteran shall be reviewed at least annually, and each such veteran shall be afforded the opportunity to participate in each review of such plan and jointly to redevelop such plan.

"(c) Prior to agreeing to a plan under subsection (a) of this section or to any redevelopment or denial of redevelopment of a plan under subsection (b) of this section, a veteran shall be informed of such veteran's opportunity for a review as set forth in the following sentence. If a veteran does not agree to such plan, redevelopment, or denial of redevelopment, the plan as proposed together with a written statement, prepared by or for such veteran, of such veteran's objections to such plan shall be reviewed by the Administrator or the Administrator's designee in the Central Office of the Veterans' Administration, and a decision shall be rendered on such review not later than ninety days after the date on which such veteran submits a written request for such review to the person described in subsection (a)(5) of this section.

"§ 1508. Allowances

"(a) Unless a veteran elects to receive an educational assistance allowance pursuant to subsection (f) of this section, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of (1) extended evaluation, (2) participation in a rehabilitation program under this chapter, and (3) postvocational rehabilitation training (not to exceed two months).

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$277	$343	$404	$30
Three-quarter time	208	258	302	22
Half-time	138	171	202	15
Farm cooperative, apprentice, or other on-job training:				
Full-time	242	292	337	22
On-job training or work experience for no or nominal pay in Federal agency:				
Full-time	277	343	404	30
Extended evaluation:				
Full-time	277	343	404	30
Independent living training:				
Full-time	277	343	404	30
Three-quarter-time	208	258	302	22
Half-time	138	171	202	15

"(c)(1) If the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to such veteran for such month, directly or indirectly. Based upon such written statement, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

"(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1516(a)(1) of this title for no or nominal pay shall be paid the appropriate subsistence rate provided in subsection (b) of this section for an institutional program.

"(d)(1) The Administrator shall, in accordance with regulations which the Administrator shall prescribe not inconsistent with regulations governing the determination of full-time status and part-time status under chapter 34 of this title, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

"(2) A veteran undergoing extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

"(3) During the two-month period following a determination that a veteran with a serious employment handicap is rehabilitated, such veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of rehabilitation program that such veteran pursued.

"(e) In the case of a veteran pursuing a rehabilitation program on a full-time residential basis in a specialized rehabilitation facility, the Administrator shall be authorized, upon the request of such veteran, to pay to such facility the cost of such veteran's room and board and to pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) To the extent that a veteran who is determined not to have a serious employment handicap has remaining eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, in lieu of services and assistance pursuant to the provisions of this chapter other than this subsection, to pursue a program of education and receive an educational assistance allowance and other assistance as authorized under chapter 34 of this title, together with such services under section 1504 (2), (5), (6), and (11) of this title as such veteran may request and the Administrator determines to be necessary to accomplish the purposes of this chapter, if the Administrator approves such veteran's chosen educational, professional, or vocational objective of such program. In the event that such veteran makes such an election, the terms and conditions, including allowances and other assistance, applicable to the pursuit of a program of education under such chapter shall apply.

"(g)(1) Notwithstanding any other provision of this title, the subsistence allowance for a veteran who is pursuing a program of vocational rehabilitation under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

"(A) If such veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such allowance and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran has one or more dependents, the Administrator shall pay such allowance to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such allowance, but only to the extent that both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If such veteran does not request the Administrator to pay to a particular dependent of such veteran any amount payable on account of such dependent or such dependent does not join in such request, the amount involved shall not be paid to or accrued by such veteran. The Administrator shall, while such veteran is so incarcerated, withhold any amount of such allowance, not payable on account of a dependent or dependents, that is accrued by such veteran and shall pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a vocational rehabilitation program under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(h)(1) Notwithstanding any other provision of this title, the educational assistance allowance for a veteran who has elected to receive such allowance pursuant to subsection (f) of this section and who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

"(A) If such veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay such veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay such veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If such veteran does not request the Administrator to pay to a particular dependent of such veteran any amount payable on account of such dependent or such dependent does not join in such request, the amount involved, if not payable to such veteran under the first sentence of this subparagraph, shall not be paid to or accured by such veteran. The Administrator shall pay any excess amount accrued by such veteran to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(i) Notwithstanding any other provision of this title, in the case of [illegible] veteran pursuing a vocational rehabilitation program while institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility, or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the subsistence or (if such veteran has made an election under subsection (f) of this section) educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been so institutionalized for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) or (h) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

"(j) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§1509. Entitlement to independent living services and assistance

"A veteran who is prevented from entering a vocational rehabilitation program under this chapter because such veteran's disability or disabilities are so severe that it is determined that the achievement of a vocational goal is not feasible shall be entitled, pursuant to the provisions of section 1521 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in the functions of daily living.

"§1510. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator determines necessary for granting leaves of absence to veterans pursuing a rehabilitation program under this chapter. During authorized leaves of absence, a veteran shall be considered to be pursuing such program.

"§1511. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator determines necessary to promote satisfactory conduct and cooperation on the part of veterans who are pursuing rehabilitation programs under this chapter. If a veteran fails to maintain satisfactory conduct or cooperation, the Administrator may discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstitute such services and assistance only if the Administrator determines that—

"(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

"(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

"§1512. Revolving fund loans

"The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of twice the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in section 1508(b) of this title, to veterans pursuing rehabilitation programs under this chapter. Such advances, and advances from such fund made before the effective date of the Disabled Veterans Rehabilitation Act of 1980, shall bear no interest and shall be repaid in such installments, as may be determined by the Administrator, by proper deductions from future payments of compensation, pension subsistence allowance, educational assistance allowance, or retirement pay.

"§ 1513. Books, supplies, and equipment

"Any books, supplies, or equipment furnished a veteran under this chapter shall be deemed released to such veteran, except that if the Administrator determines that, because of fault on such veteran's part, such veteran has failed to complete the course of vocational rehabilitation, the Administrator may require such veteran to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof. Such books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may determine.

"§ 1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

"(a) Services and assistance may be provided under this chapter to an individual who is hospitalized pending discharge from active military, naval, or air service if such individual would be eligible for such services and assistance except for the fact that such individual has not been discharged or released from such service. In such cases, no subsistence allowance shall be paid.

"(b) Services and assistance may be provided under this chapter to a veteran who is institutionalized in a Veterans'

Administration hospital, nursing home, or domiciliary facility or, where feasible, in any other hospital or medical facility.

"§1515. Vocational rehabilitation outside the United States

"Pursuant to regulations which the Administrator shall prescribe, a program of vocational rehabilitation under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

"§1516. Rehabilitation resources

"(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program for no or nominal pay when the Administrator determines such training or work experience is necessary to accomplish such veteran's rehabilitation;

"(2) use the facilities, staff, and other resources of the Veterans' Administration;

"(3) employ such additional personnel and experts as the Administrator considers necessary; and

"(4) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

"(b)(1) While pursuing on-job training or work experience under clause (1) of subsection (a) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"(2) Use of facilities, staff, and other resources of the Department of Medicine and Surgery under clause (2) of subsection (a) of this section, to provide rehabilitation services under this chapter, including medical services authorized under chapter 17 of this title, shall, as provided for in a veteran's individualized written plan of vocational rehabilitation developed under section 1507 of this title, be procured through contract with such department; and the amounts of payments for such services shall be determined in accordance with current accounting principles used within such department, subject to review and modification by the Administrator with respect to the reasonableness of proposed charges.

"(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall, as provided for in a veteran's individualized written plan of vocational rehabilitation developed under section 1507 of this title, be procured through contract, agreement, or other cooperative arrangement.

"§ 1517. Employment assistance

"(a) A veteran who has participated in a vocational rehabilitation program under this chapter or a similar program under the Rehabilitation Act of 1973 and who is determined to be employable shall be furnished assistance in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap. Such assistance may include (1) direct placement of such veteran in employment; and (2) utilization of placement services of (A) programs under the Rehabilitation Act of 1973, (B) the State employment service and the Veterans Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) any other public or nonprofit organization having placement services available.

"(b)(1) If a veteran has completed vocational rehabilitation for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

"(2) The Administrator may, under the terms and conditions of clause (12) of section 1504(a) of this title, furnish a veteran described in such clause who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies as are determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

"(c)(1) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for veterans with service-connected disabilities through direct Veterans' Administration employee outreach, in cooperation with activities carried out by the Secretary of Labor, to employers and through Veterans' Administration coordination with Federal, State, and local governmental agencies and appropriate nongovernmental organizations.

"(2) The Administrator shall prescribe regulations, subject to the approval of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973 (29

U.S.C. subch. V) and section 2012 of this title, authorizing payments to be made to employers for providing on-job training to veterans who have been rehabilitated under this chapter in individual instances when the Administrator determines such payment to be necessary to obtain the needed on-job training or to begin employment. Such payments shall not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity. If any such veteran participates in such on-job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for and entitlement to such allowance, be paid such allowance.

"§ 1518. Personnel training and development

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter. The objective of such training shall be to assure that rehabilitation services for veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

"(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education in planning and carrying out personnel training in areas of mutual programmatic concern.

"§ 1519. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

"(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

"(2) projects which are designed to increase resources and potential for accomplishing the rehabilitation of disabled veterans.

"(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

"§ 1520. Pilot program of independent living services and assistance

"(a) During fiscal years 1981 through 1985, the Administrator is authorized to contract with public or nonprofit agencies with a demonstrated capacity to conduct programs of independent living services for severely handicapped persons to provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter in various geographical regions, to veterans as to whom it is determined that the achievement of vocational goals are not feasible, who are selected pursuant to criteria prescribed in such regulations, and who have remaining entitlement and periods of eligibility for rehabilitation under this chapter. The Administrator shall, to maximum extent feasible, include substantial numbers of veterans undergoing long-term institutionalization in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans among those to whom independent living services and assistance are provided under this subsection. A program of independent living services and assistance for a veteran shall consist of such services described in section 1504 (a) and (b) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in the functions of daily living. Such veteran shall have the same procedural rights with respect to an individualized written plan of services and assistance as is afforded veterans participating in vocational rehabilitation under section 1507 of this title. Any contract for services that are initiated with respect to any veteran prior to the end of fiscal year 1985 may be continued in effect after the end of fiscal year 1985 for the purposes of providing services to such veteran in accordance with the provisions of this chapter.

"(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the program of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

"(1) the results of a study which the Administrator shall conduct of the accomplishments and cost-effectiveness of such program, including the extent to which (A) such program has met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in the functions of daily living as a result of participation in the program, and (C) costs of care in hospitals and nursing homes have been and may be avoided as the result of such services; and

"(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living services and assistance to veterans for whom the achievement of a vocational goal is not feasible.

"§1521. Veterans' Advisory Committee on Rehabilitation

"(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the 'Committee'). The members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not to exceed three years. Service-connected disabled veterans shall constitute no less than one-half of the voting membership of the Committee, and the Committee shall also include individuals who have distinguished themselves in both the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the voting members of the Committee as the chairman of the Committee. In addition to the members appointed by the Administrator, the membership of the Committee shall include as ex officio nonvoting members representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, and of the Secretary of Health and Human Services.

"(b) The Administrator shall advise and consult with the Committee on a regular basis with respect to the administration of veterans' rehabilitation programs under this title.

"(c) The Committee shall submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the Veterans' Administration, and shall submit such other reports or recommendations to the Administrator and the Congress as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs.".

(b) The items relating to chapter 31 in the table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are amended to read as follows:

"31. Training and Rehabilitation for Service-Connected Disabled Veterans . 1500".

TITLE II—TECHNICAL AMENDMENTS—EFFECTIVE DATE

SEC. 201. Section 1781 of title 38, United States Code, is amended by inserting immediately after "36" the following: "or subsistence allowance granted under chapter 31".

SEC. 202. Section 1795 of title 38, United States Code, is amended by—

(1) amending clause (4) to read as follows:

"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";

(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and

(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof the following: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided by such chapter are re-

quired to accomplish the rehabilitation purposes set forth in that chapter.".

SEC. 203. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following: "The thirty-six month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.".

SEC. 204. Section 1682 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(h) Notwithstanding any other provision of this title, in the case of an eligible veteran pursuing a program of education while institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been so institutionalized for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.".

SEC. 205. In the case of any veteran who has filed a claim for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for (1) a comprehensive diagnostic evaluation by Veterans' Administration employees responsible for such evaluations under chapter 31 of title 38, United States Code, of such veteran's potential for vocational rehabilitation and employment, and (2) such evaluation to be considered in the adjudication of such veteran's claim, unless the Administrator finds such evaluation and consideration not to be reasonably necessary for the purposes of such adjudication.

SEC. 206. Section 1624(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) If a participant dies, the amount of such participant's unused contributions to the fund shall be paid to living person or persons first listed below:

"(A) The beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy.

"(B) The surviving spouse of the participant.

"(C) The surviving child or children of the participant, in equal shares.

"(2) If there is no such person living, such amount shall be paid to the participant's estate.".

SEC. 207. The provisions of this Act shall become effective on October 1, 1980.

Amend the title so as to read: "A bill to amend title 38, United States Code, to improve, expand, and modernize the program of vocational rehabilitation for service-connected disabled veterans under chapter 31 of such title, and to provide for a pilot program of independent living services for certain severely disabled veterans under such chapter; and for other purposes.".

[From the Congressional Record, Vol. 126, No. 25, pp. S1510–S1528, Feb. 19, 1980]

DISABLED VETERANS REHABILITATION ACT—S. 1188

AMENDMENT NO. 1661

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to S. 1188, a bill to improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

Mr. CRANSTON. Mr. President, I submit for printing an amendment to S. 1188, the proposed Disabled Veterans Rehabilitation Act of 1979.

BACKGROUND

A. HISTORY OF VA VOCATIONAL REHABILITATION PROGRAMS

Mr. President, throughout our Nation's history, our people and our Federal Government have shown special concern for meeting the needs of those who are disabled as a result of wartime service in the country's Armed Forces and, more recently, as the result of service in time of either war or peace. Federal assistance to those so disabled has been based upon the national purpose that everything possible should be done to help the disabled veteran readjust to civilian life.

Totally or partially disabled veterans of wars prior to World War I were provided with hospital care and compensation for disabilities incurred in service. In 1917, however, Congress enacted the War Risk Insurance Act of 1917, Public Law No. 90, 65th Congress, that recognized the service-connected disabled veterans' need for vocational rehabilitation in addition to compensation in order to acquire the skills necessary to compete in the labor market. That act included, as part of its benefits package for service-connected disabled veterans, general provisions for vocational rehabilitation, without specifying how rehabilitation was to be accomplished.

In 1918, the Vocational Rehabilitation Act, Public No. 178, 65th Congress, was enacted and provide more specific provisions for a service-connected disabled veteran's vocational rehabilitation program. To be eligible to participate in that program, the veteran had to demonstrate an inability to carry on gainful employment or reenter the occupation that the veteran left when entering active service. While participating in vocational rehabilitation, a veteran received a special rate of compensation and the Government paid the costs of training.

Following training, and as part of the program, responsibility for finding suitable employment for rehabilitated veterans was placed upon the Government. The vocational rehabilitation program for World War I disabled veterans terminated in 1928. During the program, approximately 675,000 veterans applied for rehabilitation, of whom approximately half were rated as eligible for rehabilitation training.

Mr. President, on December 12, 1941—5 days after the Japanese attack on Pearl Harbor—President Roosevelt requested the joint efforts of several Federal agencies, including the Veterans' Administration, to study the problems of rehabilitating disabled World War II veterans. Subsequently, in 1943, Congress enacted Public No. 16, 78th Congress, which included provisions for a vocational rehabilitation program for those who incurred service-connected disabilities in active service on or after December 6, 1941, and prior to the termination of hostilities in World War II. The purpose of that program was to restore employability lost by virtue of a handicap due to service-connected disability. A veteran participating in that program was provided with a subsistence allowance and the VA paid tuition and fees for the training that the veteran pursued. By 1950, approximately 550,000 disabled veterans from World War II had benefited from the program.

Shortly after the outbreak of the Korean conflict, President Truman recommended the renewal of the World War II vocational rehabilitation program. Congress responded to this recommendation with the enactment in 1950 of Public Law 894, 81st Congress, and that act as amended in 1951 by Public Law 110, 82d Congress, which provided a vocational rehabilitation program similar to the World War II program, for veterans who incurred service-connected disabilities and needed to overcome the handicap of a disability incurred or aggravated by such service. However, the disability had to be a direct result of armed conflict or incurred by a service-person either while engaged in extra-hazardous service or while the United States was engaged in war; and training was required to be completed by participating veterans on or before August 20, 1963.

Thus, Mr. President, vocational rehabilitation legislation historically was enacted to address the prospective needs of service-connected disabled veterans when the Nation was faced with an existing or potential major military conflict. However, in

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1962, with the enactment of Public Law 87-815, vocational rehabilitation benefits were granted to any veteran of World War II and the Korean conflict if he or she had a service-connected disability rated as 10 percent or more disabling and was in need of vocational rehabilitation; and a veteran whose disability was incurred after World War II and at any time other than during the Korean conflict was made eligible for vocational rehabilitation benefits if his or her service-connected disability was rated as 30 percent or more disabling or, if rated less than 30 percent, if he or she had a pronounced employment handicap.

In 1974, Public Law 93-508, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, liberalized the eligibility requirements for vocational rehabilitation—now, as so liberalized, the current requirements under chapter 31 of title 38—by extending the eligibility to any veteran with a service-connected disability rated at less than 10 percent or more who is in need of vocational rehabilitation, defined as training for the purpose of restoring employability * * * lost by virtue of a handicap due to service-connected disability. This measure made the eligibility requirements of the existing program for both wartime and peacetime veterans comparable to the eligibility requirements of the programs provided to veterans of World War II and the Korean conflict.

From June 1943, through January 1980, a total of approximately 831,700 disabled veterans had trained under the VA vocational rehabilitation program. Of those, 621,300 were World War II veterans, 77,000 were veterans of the Korean conflict, 23,600 were post-World War II peacetime veterans who were trained after 1972 when the law was changed to provide for their eligibility, and 109,800 were Vietnam-era veterans. At the end of January 1980, there were a total of 14,900 veterans in vocational training under chapter 31.

B. NEED FOR REVISION OF CURRENT VA VOCATIONAL REHABILITATION PROGRAM

Throughout the period from 1943 through the present, Congress has enacted various laws, in addition to those I have just mentioned, expanding and making improvements in many aspects of the VA's rehabilitation program and increasing the level of subsistence allowance in light of the inflation that occurred during that period, but the purpose and structure of the program have remained intact, without comprehensive revision. In light of changes in the general field of rehabilitation of handicapped persons since World War II and in light of the enactment of Public Law 93-112, the Rehabilitation Act of 1973, the Senate Committee on Veterans' Affairs has for 6 years had major concerns regarding the need for major revisions of the chapter 31 program.

The Rehabilitation Act of 1973 substantially restructured and redefined concepts regarding handicapped individuals generally and rehabilitation services and training and employment opportunities for them.

Thus, in 1974, in the committee report to accompany S. 2784, S. Rept. No. 93-907, on page 52, the committee noted that the vocational rehabilitation chapter and the implementing regulations had many inconsistencies and strongly recommended that the VA thoroughly review chapter 31 for possible legislative and administrative changes, particularly in light of the Rehabilitation Act of 1973.

Again, in 1976, for substantially the same reasons, the committee—in its report to accompany S. 969, the Veterans Education and Employment Assistance Act of 1976, S. Rept. No. 94-1243, on page 43—urged the VA to conduct a thorough review of the vocational rehabilitation program for possible legislative and administrative changes. The committee also noted that it expected the Administrator of Veterans' Affairs, in the conduct of the study, to confer with the Commissioner of the Rehabilitation Services Administration in the Department of Health, Education, and Welfare.

However, by 1977, the committee had received no such recommendations from the VA. Thus, the committee included in S. 457, the GI Bill Improvement Act of 1977, a provision requiring the Administrator, after consultation with the Commissioner of the Rehabilitation Services Administration in the Department of Health, Education, and Welfare, to submit to the President and the Congress by March 1, 1978, a report of a study of the VA's vocational rehabilitation program under chapter 31.

That provision, as enacted in section 307 of Public Law 95-202, required that the report include the Administrator's recommendations for changes in chapter 31, recommendations with respect to the need for services of vocational rehabilitation specialists to provide chapter 31 trainees with appropriate job development and job placement assistance, recommendations for utilizing the veterans education programs provided for by chapters 32, 34, 35, and 36 to meet the needs of disabled veterans eligible for chapter 31 training, and a description and analysis of the scope and quality of the chapter 31 program in comparison to vocational rehabilitation provided under the Rehabilitation Act of 1973.

That study, entitled "A Study of the Provisions For Veterans Vocational Rehabilitation," submitted on October 5, 1978, as well as a subsequent VA study entitled "Summary Report of the Vocational Rehabilitation (Chapter 31) Program Evaluation," conducted pursuant to subsection 219 of title 38 and submitted on October 5, 1979, strongly indicate that the present VA vocational rehabilitation program is antiquated and in need of a complete overhaul—rather than piecemeal amendments—to be able to best serve the rehabilitation needs of the most deserving group of veterans—those who are disabled while serving our Nation in its armed services.

The VA, in its study and program evaluation highlighted several areas of the current vocational rehabilitation program as needing new emphasis and attention. The most basic conclusions were that the VA vocational rehabilitation programs needed to provide more comprehensive services and that the goal of vocational rehabilitation should be suitable employment, rather than completion of training. The VA also cited needs for improved outreach efforts to seriously disabled veterans, more effective case management and coordination of all vocational rehabilitation services in individual cases and, improved, ongoing staff development, and improvements in job assistance, followup activities and records systems.

In addition, the VA evaluation report emphasized the need for a more aggressive program management approach, including an improved, more structured review and evaluation system.

Mr. President, the 1978 and 1979 VA studies also indicate that between 1973 and 1977 there have been certain shifts in the uses that service-connected disabled Vietnam-era veterans make of their entitlement to vocational rehabilitation under chapter 31 and to GI Bill educational assistance under chapter 34. With the liberalization of chapter 31 eligibility requirements, veterans rated less than 30-percent disabled have increased their use of chapter 31 benefits and decreased their use of chapter 34 educational benefits. A General Accounting Office study underway, which I will describe further shortly, confirms these trends. However, individuals with disability ratings of 30 percent or greater have increased their use of chapter 34 benefits and decreased their use of chapter 31 benefits.

Following up on the VA studies, on May 11, 1979, the Administrator of Veterans' Affairs submitted legislation to improve the vocational rehabilitation program. S. 1188, the administration bill, which I introduced by request on May 21, 1979, would modernize and make extensive improvements in the chapter 31 program. The House of Representatives, on October 16, 1979, passed a measure, H.R. 5288, containing the administration-proposed amendments to chapter 31 with certain revisions. On January 24, the Senate passed this bill with a substitute amendment which made no substantive revisions to the chapter 31 provisions other than to provide for a subsistence allowance rate increase. Thus, I will refer to H.R. 5288 in the course of this statement in the form it passed the House of Representatives.

Although the VA studies provided much useful information and the administration-requested and House-passed bills would do much to make needed improvements in the current vocational rehabilitation program, I believed that a further, independent study was needed to develop information in addition to that contained in the studies on certain major issues before the committee undertook to make the first comprehensive revisions of the vocational rehabilitation program in more than 25 years. Thus, in a March 1, 1979, letter to the Comptroller General, I requested that the General Accounting Office—GAO—conduct an extensive study of the program.

Mr. President, I ask unanimous consent that a copy of that letter be inserted in the Record at this point.

March 1, 1979.

"Hon. Elmer B. Staats,
Comptroller General of the United States,
Washington, D.C.

"Dear Mr. Comptroller General: It is my understanding that the General Accounting Office has undertaken a self-initiated review of operations in Los Angeles, California, of the vocational rehabilitation program, authorized by chapter 31 of title 38 of the United States Code.

"The Senate Committee on Veterans' Affairs is undertaking a review of all of chapter 31 during the 96th Congress with a view to determining what, if any, statutory changes would make the program more meaningful and useful for the rehabilitation of the service-connected disabled veteran population. In connection with the development of legislation, it would be very helpful for the Committee to have a report prepared by the GAO on the chapter 31 program. Accordingly, I am hereby requesting that you expand the audit to two additional sites, geographically separated and preferably representative of areas where the tuition for publicly supported institutions of higher learning is relatively high and areas where it is relatively low. In making the study, it would be of assistance to the Committee if you would investigate and report on the following matters:

"1. Does effective communication, cooperation, and coordination exist in the following instances:

"a. Between the Department of Veterans' Benefits (DVB) and the Department of Medicine and Surgery (DM&S)?

"b. Within DVB between the counseling psychologist and the vocational rehabilitation specialist (VRS)?

"c. Between the VA and State Employment Security Agencies and other appropriate agencies in order to provide assistance in obtaining employment to veterans who have completed training?

"d. Between the VRS and the veterans' representatives on campus (Vet-Rep)?

"e. Between the VRS and the State Approving Agency (SAA)?

"f. Between the VA and the Rehabilitation Services Administration (all levels)?

"2. Is there evidence of the need for any of the following:

"a. Additional outreach to eligible veterans?

"b. Removal of financial disincentives regarding veterans—

"(1) entering training?

"(2) selecting chapter 34 rather than chapter 31 benefits?

"(3) accepting employment?

"c. Modifications in trainee penalties prescribed for unsatisfactory conduct and lack of cooperation?

"d. Improvements in the system of program evaluation or measurement?

"3. In the development of the individually tailored rehabilitation training program—

"a. to what extent does the veteran participate in the design of the program and modifications of it after it is established?

"b. what provision is made for assuring appropriate periodic review by qualified personnel?

"c. are goals established that bear a relationship to the types of employment opportunities available?

"d. how is the selection of the mode of training made?

"e. what provision is made for assuring that the mode of training bears a relationship to the type and severity of the veteran's disability?

"4. What was the average time in the areas studied between the following:

"a. Application and counseling?

"b. Counseling and entry into training?

"c. Entry into training and receipt of benefits?

"5. What are the qualifications, training, and caseloads for—

"a. counseling psychologists (including, with respect to caseloads, the proportion of time devoted to chapter 34 counselees)?

"b. VRS's?

"6. a. What is the role of the Interdisciplinary Vocational Rehabilitation Board in each Regional Office?

"b. Are these boards effective?

"7. To what extent are 'special restorative training' services available under chapter 31?

"8. a. To what extent are 'medically infeasible' and 'not in need' determinations made?

"b. To what extent to unmet pre-training needs result in 'medically infeasible' determinations?

"9. The report, prepared by the Veterans' Administration pursuant to section 307 of Public Law 95-202, entitled 'A Study of the Provisions for Veterans Vocational Rehabilitation', states: 'Since the way in which a function is conceptualized tends to influence the way in which it is carried out, the present limited definition of vocational rehabilitation in chapter 31 may be said to encourage a segmented approach that is not in the interest of best professional practice.' The report outlines a series of gaps and deficiencies in VA vocational rehabilitation services, including pre-training needs, post-training assistance, and the provision of medical services. To what extent are the gaps and deficiencies in needed service due to a lack of statutory authority?

"10. To what extent are veterans training under the State-Federal vocational rehabilitation program carried out under title I of the Rehabilitation Act of 1973, and what is their status (including type of disability and training, with reference to service-connection or non-service-connection) with respect to chapter 31 eligibility?

"11. To what extent are drug and alcohol dependence or abuse disabilities—

"a. underlying, secondary, or complicating factors in the veteran's service connected disability?

"b. the basis for 'medically infeasible' determination?

"c. the focus of DM&S rehabilitation efforts concurrent with efforts to provide vocational rehabilitation with respect to the service-connected disability?

"12. What is the extent of participation of chapter 31 trainees in the section 1685 VA work-study program?

"It would be extremely helpful if the report the committee is requesting could be completed by September 1. Thus, we would greatly appreciate your giving this request sufficient priority to meet this timetable.

"With warm personal regards,

"Cordially,

ALAN CRANSTON,
Chairman."

AMENDMENT NO. 1661

Mr. CRANSTON. Mr. President, although the GAO report is not expected to be published until about February 20, 1980, the committee staff has been fully briefed on the results of the study. Based on the results of the VA and GAO studies, I have prepared and am submitting an amendment to the administration-requested bill, S. 1188.

Mr. President, my amendment is designed to accomplish a long-needed modernization and the expansion and improvement of the chapter 31 program. In certain respects, my amendment closely parallels the provisions of the administration-requested bill, S. 1188 as introduced, and the amendments to chapter 31 that would be made by the House-passed bill, H.R. 5288, and in other areas, my amendment would make substantial changes that are not proposed either in S. 1188 as introduced or in H.R. 5288 as passed by the House.

EMPLOYMENT PURPOSE

A major improvement and expansion proposed by both my amendment and S. 1188 and H.R. 5288 is to enlarge the purpose and effective operation of the vocational rehabilitation program under chapter 31 beyond achievement of the employability of the veteran to the actual employment of the veteran in a suitable job. Under current law, the stated purpose of vocational rehabilitation is to restore employability to the extent consistent with the degree of disablement, and job placement services, post-placement services to help with the veteran's adjustment in employment, and other post-training followup have been found, by the VA and the GAO, to be seriously deficient under the VA's current program. My amendment would, as would the administration and House-passed bills, include in the statement of the purposes of chapter 31 the enabling of the disabled veteran "to obtain and maintain suitable employment."

In addition, to help assure achievement of the employment purpose to the maximum extent possible, the amendment would, as would S. 1188 and H.R. 5288, mandate that the Administrator "actively promote the development and establishment of on-job training and employment opportunities" for chapter 31 participants and coordinate his efforts in this regard with Federal, State, and local governmental and nongovernmental agencies, and would entitle veterans who are determined to be employable to assistance in obtaining employment, which may include direct VA placement services and the use of the placement services of State-operated programs under the Rehabilitation Act of 1973, other State employment services, the Veterans Employment Service of the Department of Labor, the Office of Personnel Management, and other public or nonprofit organizations having placement services available.

In addition, in a manner similar to S. 1188 and H.R. 5288, my amendment would specifically provide for postplacement services for any chapter 31 participant and for special assistance to the most severely disabled veterans requiring homebound training or self-employment, or both, who have trained under chapter 31. Such assistance would consist of the provision of license fees, supplies, initial stocks and essential equipment to establish a business and services to help the veteran obtain a loan from the Small Business Administration and assure that he or she receives the special consideration to which veterans are entitled under the Small Business Act.

SCOPE OF SERVICES

Mr. President, my amendment would, as would the administration and House-passed bills, specify a broad range of services and assistance that the Administrator may provide to participants in chapter 31 programs. The intention with respect to specifying such services is to provide clear authority for the full range of diagnostic, evaluative, counseling, pretraining, training, and other services that may be needed to assist the veteran in entering and pursuing rehabilitation and, as discussed above, in finding, adjusting to, and maintaining employment.

As the Administrator explained in his May 11, 1979, letter transmitting the administration-requested legislation, the VA interpretation of current law equates vocational rehabilitation under chapter 31 with training and thus does not provide for pretraining services that may enable a veteran, whose mental or physical disability renders entry into training infeasible, to prepare to enter into a training program. The administration and House-passed bills and the amendment would authorize such services.

In addition, my amendment would make clear, as I understand the two other bills intend, that the VA may provide, as part of a vocational rehabilitation program, services to enable the veteran to achieve maximum independence in the functions of daily living.

For many veterans with serious disabilities which impair their abilities to care for themselves, to move about in their homes and communities, and to communicate and deal effectively with others, these so-called "independent living services" are essential to enable them to achieve a maximum level of independent, self-sustaining life in the community, which, in turn, is often critical to their ability to find and hold gainful employment in the community. The amendment deals more specifically and fully with the provision of independent living services, including provision for a pilot program of independent living services and assistance, which I will discuss in more detail in a few minutes, for those who are determined to be too severely disabled to pursue a vocational goal.

FOCUSING SERVICES ON THOSE WITH SERIOUS EMPLOYMENT HANDICAPS

Mr. President, in practice, according to the soon-to-be-released GAO report on chapter 31 vocational rehabilitation, virtually all veterans with service-connected disabilities rated as 10 percent or more disabling who apply are accepted into the VA's chapter 31 vocational rehabilitation program. The amendment would expressly provide chapter 31 eligibility to all such veterans and would thus delete from S. 1188 the requirement—also included in the House-passed bill—that the veteran be determined to be in need of vocational rehabilitation because of an employment handicap.

It is clear that not all service-connected disabled veterans presently participating or, under the amendment, expected to participate in the chapter 31 program, have employment handicaps of such a serious nature that they require a full, planned program of counseling and other supplementary services to enable them to pursue training and obtain employment. Therefore, the amendment would limit extended evaluation to those who, after an initial evaluation, are determined possibly to have a serious employment handicap and would mandate the development of an individualized, written vocational rehabilitation plan and counseling in accordance with such a plan only in the cases of those who are found to have a serious employment handicap.

Where, after an initial evaluation, the veteran is determined not to have a serious employment handicap, counseling, placement, and other authorized services would be provided to the individual at his or her request. This approach is designed to eliminate, in a great number of cases, unnecessary, routine counseling and the development of individualized vocational rehabilitation plans where they are not needed and, thus, should conserve the time and efforts of VA vocational rehabilitation personnel in order to focus them most directly and fully on the needs of those who have serious employment handicaps or who, although not so seriously handicapped, feel a specific need for the services of those personnel.

ELECTION OF GI BILL EDUCATIONAL ASSISTANCE ALLOWANCES BY CERTAIN CHAPTER 31 PARTICIPANTS

Mr. President, the 1978 and 1979 VA studies discussed above revealed a shift in recent years away from the use by service-connected disabled veterans with more serious disabilities of chapter 31 vocational rehabilitation benefits to the use of chapter 34 GI Bill education assistance allowances.

Moreover, there has for many years been a substantial percentage of all service-connected veterans eligible for vocational rehabilitation under chapter 31 who have chosen to use chapter 34 instead of chapter 31 benefits.

According to the VA, many disabled veterans enrolled in State-supported schools with low tuition and fees elect to train under the chapter 34 program because the educational assistance allowance they receive under that program is substantially higher than the subsistence allowance they would receive under chapter 31 and the fact that the VA would pay their tuition and fees under chapter 31 does not detract from the financial attractiveness to them of chapter 34 benefits.

Unfortunately, however, a chapter 34 participant—even though service-connected disabled—is not presently eligible for counseling and other services available under chapter 31. Thus, the effect of an election of chapter 34 benefits has been to cut the veteran off from chapter 31 services which may be of substantial value to his or her rehabilitation and employment.

The administration-requested bill deals with this problem by making chapter 34 participants who have chapter 31 eligibility eligible for certain vocational rehabilitation services under chapter 31.

H.R. 5288 does not contain such a provision. Rather, it contains a 17-percent cost-of-living increase for chapter 31 participants, an increase designed to narrow the gap between the financial incentives for the veteran to enter chapter 34 and chapter 31 training sufficiently to cause the veteran to participate in the chapter 31 program.

The amendment, by providing for a fuller range of services, particularly extensive employment assistance, is designed to meet the needs of seriously disabled veterans and, thus, should help assure that such veterans in need of chapter 31 services will elect to participate in this program. In addition, with respect to less seriously disabled veterans who are determined not to have a serious employment handicap, the amendment would permit them, to the extent that they have chapter 34 eligibility and entitlement, to receive, in lieu of chapter 31 allowances, chapter 34 educational assistance allowance together with counseling and appropriate employment services under chapter 31.

INDEPENDENT LIVING SERVICES

Both the administration and the House-passed bills included in the chapter 31 statement of purpose and in the definition of "vocational rehabilitation" the concept that services may be provided to help the veteran achieve maximum independence. According to the section-by-section analysis submitted by the VA with its proposed bill, authority to provide services for this purpose was included so that the VA may assist a severely handicapped veteran who is not capable of training to employment * * * to reach that level of adjustment consistent with his or her capabilities that can best be described as maximum independence.

Neither bill, however, provides further clarification of the intended scope or use of such authority.

I strongly agree that services and assistance should be made available to enable severely disabled veterans to achieve maximum independence. However, I believe that chapter 31 provisions should more clearly address the scope of the services and assistance involved and the circumstances under which they are to be provided.

Thus, under the amendment, the provision of independent living services and assistance is authorized during three major stages:

First, pretraining, extended evaluation, under both bills and the amendment, during which time services and assistance may also be provided to improve the veteran's ability to participate in vocational training;

Second, during a period of vocational training for a veteran as to whom it has been determined that the achievement of a vocational goal is feasible; and

Third, when it has been determined that a veteran's disability is so severe that the achievement of a vocational goal is not feasible, a program consisting solely of services and assistance to enable the veteran to achieve maximum independence in the functions of daily living is authorized under a 5-year pilot program of independent living services and assistance for certain such veterans.

Mr. President, by making clear that services and assistance may be provided during a period of extended evaluation both to help the veteran achieve maximum independence in the functions of daily living and to improve the veteran's potential for pursuing vocational training, the amendment would help to assure that, when the veteran enters vocational training, he or she is not only prepared to pursue the training concerned but is also as capable as possible of caring for himself or herself and otherwise functioning with as much independence as is feasible by that time.

In addition, the amendment would clearly authorize independent living services and assistance during the period of vocational training so that the veteran can continue to receive any help that he or she may continue to need to achieve maximum independence in the functions of daily living. It is not clear whether such services and assistance could be provided during this stage under S. 1188 and H.R. 5288. I believe that entitlement to independent living services and assistance should clearly be provided to the severely disabled veterans who are in need of them at this stage, because, as I have previously indicated, the ability to function with maximum independence in the community is often extremely important to the individual's ability to obtain and maintain gainful employment.

In the cases of those veterans whose disabilities are so severe that following evaluation it is determined that pursuit of a vocational goal is not feasible, my amendment would entitle such veterans to independent living services and assistance under a 5-year pilot program during fiscal years 1981 through 1985. Under this pilot program, the VA would provide such veterans in various geographic regions with independent living services and assistance through contractual arrangements with public or nonprofit agencies with expertise in the provision of such services.

In order to help the Congress assess the effectiveness of independent living services and assistance to these severely disabled veterans and determine whether they should be expanded to reach all such veterans under chapter 31 and be made a permanent entitlement, the amendment would mandate a study by the Administrator focusing on the key aspects of the pilot program and require that a report of the study, including the Administrator's recommendations, be submitted no later than September 30, 1984, the end of the 4th fiscal year of the 5-year pilot program.

Finally with respect to independent living services, the amendment would provide a clear and broad-ranging delineation of the scope of independent living services and assistance—whereas S. 1188 and H.R. 5288 provide no additional scope of services for independent living purposes—to include, as needed, all services and assistance that may be provided under section 702 of the Rehabilitation Act. Thus, under chapter 31, severely disabled veterans would be entitled to the full range of services and assistance—including appropriate accommodations to and modification of living space, attendant care, and prevention services, which would not appear to be authorized under the administration and House-passed bills—that are available to nonveterans under the Rehabilitation Act of 1973.

OTHER SUBSTANTIVE DIFFERENCES BETWEEN S. 1188 AS INTRODUCED AND THE AMENDMENT

Mr. President, in addition to the changes in the foregoing major areas that the amendment would make in the administration-requested legislation, S. 1188 as introduced, the amendment would differ from that legislation in a variety of other respects, some of which I would like to highlight briefly at this point.

A. DURATION OF SERVICE AND ASSISTANCE

Under current law, a program or course of vocational rehabilitation is generally limited to 4 years unless the Administrator prescribes a longer period. The administration-requested legislation proposes that, unless a longer period of time is prescribed by the Administrator, the period of services to evaluate and improve the rehabilitation potential of a veteran for whom the feasibility of attaining rehabilitation is indeterminate may not exceed 12 months and the period of vocational rehabilitation, following a finding of feasibility of vocational rehabilitation, may not exceed 64 months.

Mr. President, under the amendment, a period of extended evaluation—during which services and assistance would be authorized as necessary to accomplish a comprehensive evaluation, to improve the veteran's ability to pursue a program leading to a vocational goal, to enhance the veteran's ability to live and function independently, and to formulate an individualized vocational rehabilitation plan—generally may not exceed 12 months. Where necessary, however, the amendment would authorize an extension of up to 6 months if it is reasonably likely that a determination could be made during the period of the extension as to whether a vocational goal is feasible for the veteran.

Additional extensions of up to 6 months each would be authorized under the same circumstances. Thus, although I agree with the VA that a separate 12-month period of evaluation is desirable, I believe that, instead of providing for open-ended extension in the Administrator's discretion, it is preferable to require specific determinations regarding the necessity for extensions at periodic intervals no greater than 6 months. The goal here is to move toward an end to the limbo status of extended evaluation and, it is to be hoped, toward establishment of a vocational goal whenever feasible.

With respect to the basic period of vocational rehabilitation training to which the veteran would be entitled following a determination that a vocational goal is feasible, I do not agree with the administration that an across-the-board increase in the period of services and assistance from 48 months to 64 months is warranted. The Administrator, in his May 11, 1979, letter transmitting the administration-requested legislation, pointed out as justification for that increase that under current education practices, "45 months, instead of 36, may be needed to complete an undergraduate program, and 18 months, instead of 12, may be needed to achieve a master's degree."

Thus, since a master's degree is needed for entry into many professional occupations and would be the appropriate level of training for the complete restoration of employability in a number of chapter 31 cases, the administration proposed that the present 48-month limit be increased to a 64-month limit.

The amendment would provide, as does current law, a general 48-month limit on the veteran's entitlement, but would provide for extending the months of entitlement in order to provide additional vocational rehabilitation training services and assistance as necessary in three situations—

First, as under current law, where a veteran who was previously rehabilitated—that is, rendered employable—under chapter 31 requires additional months of entitlement to services and assistance because of worsening of his or her disability has made it impossible for the veteran to function in the vocation for which he or she was previously trained;

Second, where the occupation for which the veteran was previously trained under chapter 31 has proven to be inappropriate; and

Third, where the Administrator determines additional months of entitlement are necessary to enable the veteran to achieve a specific vocational goal.

Mr. President, the amendment would thus provide sufficient flexibility to provide the months of entitlement necessary for a service-connected disabled veteran to obtain a master's degree—or other appropriate level of training—at a pace consistent with the veteran's ability to progress, taking into account his or her disability, but would not increase the basic entitlement as proposed by the administration on the general theory that a greater number of months of entitlement are needed by some to obtain a master's degree.

In addition, I believe that it is preferable to provide specificially by statute for the granting of longer periods of entitlement where warranted by a deterioration in the veteran's disability or the inappropriateness of a prior vocational goal.

B. PERIODS OF ELIGIBILITY

The administration bill would eliminate all time limits on the eligibility of service-connected disabled veterans for vocational rehabilitation. In support of this position, the Administrator noted in the letter of transmittal that the removal of such time limits would allow the VA "to extend assistance to those older veterans whose conditions may have worsened and affected their employability."

Current law provides for a basic 9-year period of eligibility for vocational rehabilitation under chapter 31 following the veteran's discharge or release from active service. However, under current law—

A 4-year extension is provided where the veteran is prevented from completing vocational rehabilitation within the 9-year period because either a disability made the veteran's training infeasible, the veteran had not timely met the requirement of a discharge or release under conditions other than dishonorable but the nature of the discharge or release was changed by appropriate authority, or the veteran had not timely established the existence of a service-connected disability; and

Any necessary extension may be granted for a veteran with a "serious disability," resulting from a disability which affords basic eligibility for chapter 31 vocational rehabilitation, if either the veteran had not previously been rendered employable as the result of training under chapter 31, or the "serious disability" developed, after the veteran was declared rehabilitated, from or as the result of a worsening of the veteran's service-connected disability to the extent that the veteran is unable to perform the duties of the occupation for which the veteran was previously trained under chapter 31.

Mr. President, I do not believe that it would be wise to eliminate totally the time limits on the eligibility for chapter 31 benefits. Such time limits tend to encourage prompt use of rehabilitation services and assistance. However, I do believe that the time limits are in need of substantial revision.

Thus, with respect to periods of eligibility, the amendment would:

First, provide a basic 10-year period of eligibility in line with the 10-year delimiting period under chapter 34.

Second, revise the current-law provisions for granting 4-year extensions to assure that each veteran is afforded a full 10 years of eligibility from the date on which it becomes medically feasible for the veteran to participate in a rehabilitation program, or the veteran satisfies the nature-of-discharge requirements, or the veteran is determined to have a service-connected disability. With respect to medical feasibility, the amendment would make clear that the medical conditions entitling the veteran to a "tolling" of the 10-year period of eligibility include an alcohol or drug abuse or dependence disability—as would the Senate-passed amendment, to section

1662(a)(1) of title 38, in section 201 of H.R. 5288 as passed by the Senate on January 24, 1980, which provides for including such a disability among the disabilities which result in a tolling of the 10-year delimiting period for chapter 34 benefits.

Also, the amendment would expand the chapter 31 tolling provision with respect to the nature-of-discharge requirements to include discharges which constitute a bar to benefits under section 3103 of title 38 so that a full 10 years of chapter 31 eligibility are afforded in individual cases where a determination by the Administrator removes such a bar.

Third, the amendment would add, to the provisions under which any necessary extension may be granted for vocational rehabilitation, provisions for an extension of the period of eligibility for a vocational rehabilitation program where the occupation for which the veteran previously trained under chapter 31 has proven to be inappropriate or where the Administrator determines that an extension is necessary in order to enable the veteran to achieve a vocational goal. These latter grounds for an extension would provide the Administrator with sufficient discretion to provide an extension as necessary to meet vocational rehabilitation needs following a determination of the appropriateness of granting an extension in an individual case without an across-the-board elimination of time limits on eligibility.

With respect to the provision of independent living services and assistance for veterans for whom a vocational goal is determined not to be feasible, the amendment would provide 24 months of entitlement to such services and assistance and would authorize extensions where it is determined that the provision of independent living services and assistance in individual cases would be likely to increase the veteran's ability to live and function independently.

C. COST-OF-LIVING INCREASE

The Administration-requested bill did not provide for a cost-of-living increase in the subsistence allowances payable under chapter 31. However, the administration has announced in its fiscal year 1981 budget request, its intention to propose a 10-percent increase in the rates of subsistence allowances paid under chapter 31 and in the rates of GI Bill educational assistance allowances.

Consistent with the 15-percent cost-of-living increase in GI Bill benefits passed by the Senate on January 24, 1980, in H.R. 5288, the amendment would provide a 15-percent cost-of-living increase in chapter 31 subsistence allowances. However, it should be noted at this point that the amendment rectifies an inadvertent error in the chapter 31 rates included in the 15-percent increase amendment adopted on January 24 by the Senate by providing that the chapter 31 rates would be increased a full 15 percent—the clear intent of the earlier overwhelming Senate action and the basis for the cost estimate prepared for the amendment and H.R. 5288 as passed by the Senate.

D. PAYMENT OF ALLOWANCES TO INCARCERATED AND INSTITUTIONALIZED VETERANS

Mr. President, current law makes no provision for the special circumstances involved in payment of a subsistence allowance to a veteran who is incarcerated or institutionalized in a medical facility at VA expense while pursuing a program of education or vocational rehabilitation. The administration bill would require subsistence allowance payments to be withheld by the Administrator during the veteran's incarceration in a jail or prison or institutionalization in a VA domiciliary facility unless the veteran has dependents, in which case the allowance could, upon the veteran's request, be paid to his or her dependents.

The amendment would modify these provisions in the administration bill with respect to incarcerated veterans in order, consistent with the Senate-passed provisions in H.R. 5288, to provide for payment of the subsistence allowance to a veteran's dependent only if the dependent agrees to receive the payments and to provide, upon the veteran's request, for the Administrator to invest the allowance in U.S. Government securities during the veteran's incarceration and deliver them to the veteran upon his or her release.

Also, in view of the fact that amendment would permit a veteran participating in a chapter 31 program of vocational rehabilitation who has no serious employment handicap to elect to receive a chapter 34 educational assistance allowance in lieu of a subsistence allowance and payment of tuition and fees, the amendment would also include provisions—substantively identical with the Senate-passed provisions in H.R. 5288—for the withholding during the veteran's incarceration of amounts in excess of the costs to the veteran of tuition and fees and for the conversion of any withheld amounts to Government securities, payments to dependents, and payments to the veteran upon release on the same basis as described above with respect to a veteran to whom a chapter 31 subsistence allowance is payable.

In the case of institutionalized veterans, I am unable to see any basis for distinguishing between veterans institutionalized in a VA domiciliary facility and those institutionalized in other VA medical facilities or in any medical facility at VA expense. In addition, I do not believe that any allowance should be withheld until such time as the veteran has been institutionalized for at least 30 days. Thus, the amendment includes provisions for the withholding and payment of allowance generally as discussed above with respect to incarcerated veterans, and includes within the scope of such provisions veterans who have been institutionalized for more than 30 days in any VA hospital, nursing home, or domiciliary facility or in any other medical facility at VA expense. However, the amendment would authorize the Administrator to pay to the Veteran so much of the allowance as the veteran needs to meet his or her continuing financial obligations during such institutionalization.

E. USE OF FEDERAL FACILITIES AND SERVICES

The administration bill, generally restating provisions of current law, would authorize the Administrator to use the facilities and services of any Federal agency to provide rehabilitation and to enter into contracts or agreements for the use of the facilities and services of Federal agencies other than the VA.

The amendment incorporates those provisions and provides for the Administrator to contract specifically with the VA's Department of Medicine and Surgery—DM&S—for the use of DM&S facilities and services for the provision of authorized rehabilitation services under chapter 31. Under current law, DM&S provides certain rehabilitative services under chapter 17 of title 38 as part of hospital and medical care of veterans, generally with little coordination with chapter 31 programs.

In addition, in providing rehabilitation services DM&S receives no reimbursement from chapter 31 entitlement funds, even if the veteran or veterans concerned have chapter 31 entitlement and eligibility and are referred for the services by a chapter 31 counselor. The amendment, in order to assure better coordination of rehabilitation services to chapter 31 participants and to encourage more comprehensive rehabilitation services for disabled veterans receiving hospital, nursing home, and domiciliary care through DM&S, would provide for the Administrator to contract with DM&S for the purchase of rehabilitation services from DM&S facilities and services for those veterans participating in a chapter 31 program of rehabilitation.

In addition to helping assure greater coordination between the Department of Veterans' Benefits, which administers chapter 31 programs, and DM&S in the provision of rehabilitation programs to veterans, I believe that this provision in the amendment would contribute greatly to enhancing DM&S rehabilitation efforts—a major goal of Administrator of Veterans' Affairs Max Cleland—because the services that it would provide under chapter 31 would be paid for out of entitlement funding under that chapter rather than the overextended funds appropriated generally for medical care—funds which DM&S must apportion among various competing needs of eligible veterans for care and treatment. This provision would truly assure primacy of rehabilitation for service-connected disabled veterans within the VA by providing for a secure source of funding for the care and treatment needed for such rehabilitation.

F. VETERANS' ADVISORY COMMITTEE ON REHABILITATION

The House-passed bill, but not the administration bill, would establish a Veteran's Advisory Committee on Rehabilitation. I believe that such a committee is very desirable for the purposes of assuring ongoing, independent assessments of veteran's rehabilitation needs and VA programs and activities to meet those needs and to increase coordination of all VA resources devoted to aspects of rehabilitation, especially as between the Departments of Medicine and Surgery and of Veterans' Benefits within the VA.

Thus, the amendment includes the House-passed provisions with modifications specifying that the voting membership shall be appointed from the general public, that no less than half the voting membership must be service-connected disabled veterans, and that the committee shall also include individuals who have distinguished themselves in the public and private sectors in certain fields relevant to the rehabilitation of veterans.

In addition, in order to help assure adequate coordination within the VA and among relevant Federal agencies and to provide the committee with the perspectives of those Federal officials with particularly relevant responsibilities, the amendment would include as ex officio nonvoting members representatives of the VA's Department of Medicine and Surgery and Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and the Director of the

National Institute for Handicapped Research in the Department of Education, and of the Secretary of Health and Human Services. The amendment also makes clear that an annual evaluative report would be required to be made by the committee to the Administrator and the Congress.

TECHNICAL CONFORMING AND MISCELLANEOUS AMENDMENTS

Mr. President, the amendment contains certain technical amendments, included in the administration bill to bar—consistent with current law limitations that bar double payment in the case of other educational allowances—a veteran's receipt of a subsistence allowance under chapter 31 concurrently with active duty service or training under the Government Employees Training Act and to include chapter 31 benefits in the present title 38 provision limiting the number of months of benefits an individual may receive under two or more VA education programs.

The amendment would also add to chapter 34 a provision substantially identical to that discussed above, with respect to the payment of an educational assistance allowance to an individual institutionalized in a VA medical facility or other medical facility at VA expense.

In addition, Mr. President , the amendment would revise the provision in chapter 32 of title 38, relating to the post Vietnam-era veteran's educational assistance program, with respect to the current law provision designating those to whom a deceased participant's unused contributions to the chapter 32 educational fund are to be paid. Under current law, such unused contributions are paid to the person or persons designated by the deceased participant as the beneficiaries of the participant's Servicemen's Group Life Insurance (SGLI) policy, or, where the participant had no SGLI policy or had made no such designation, to the deceased participant's estate.

I agree with the approach reflected in current law that payment be made directly to those persons whom the participant probably would have liked to receive his or her unused contributions—instead of being paid to the participant's estate—and that the designated SGLI beneficiaries may be presumed to be those whom the participant would desire to be benefited.

However, I do not believe that current law goes far enough in enabling payment to be made directly to the persons who, in all likelihood, the participant would have wished to receive payment if the participant is not covered under SGLI or has not designated an SGLI beneficiary.

Thus, the amendment would amend the provision involved to provide that the deceased participant's unused contributions to the educational fund be paid to the participant's SGLI beneficiary, or, if the participant is not covered under SGLI or has not designated a beneficiary, to the participant's surviving spouse, or, if there is no surviving spouse, to the participant's surviving child or children, in equal shares, thus simplifying payment and tax consequences in these instances. Under the amendment only where there is no surviving spouse or child would payment be made to the participant's estate.

Finally, Mr. President, I wish to indicate at this point that the committee staff is preparing further amendments to be added to this bill shortly which would expand further various services, benefits, and opportunities in connection with the employment and on-job training of service-connected disabled chapter 31 participants, other disabled veterans, and veterans of the Vietnam era. This additional legislation will include a statutory codification of the Department of Labor's disabled veterans outreach program, and will be finalized after the committee's March 4 hearing on the employment and training needs of Vietnam-era veterans.

EFFECTIVE DATE

S. 1188 as amended by the amendment I am submitting would become effective on October 1, 1980.

Mr. President, I ask unanimous consent that the text of the amendment I am submitting be printed in the Record at this point, to be followed by a document that I have had prepared to show changes made in existing law by the amendment.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

On page 1, line 3, strike out all after enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1980".

TITLE I—REHABILITATION AMENDMENTS

SEC. 101. (a) Chapter 31 of title 38, United States Code, is amended to read as follows:

"CHAPTER 31—TRAINING AND REHABILITATION FOR SERVICE-CONNECTED DISABLED VETERANS

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Periods of eligibility.
"1504. Scope of services and assistance.
"1505. Duration of rehabilitation programs.
"1506. Initial and extended evaluations; determinations regarding serious employment handicap.
"1507. Individualized vocational rehabilitation plan.
"1508. Allowances.
"1509. Entitlement to independent living services and assistance.
"1510. Leaves of absence.
"1511. Regulations to promote satisfactory conduct and cooperation.
"1512. Revolving fund loans.
"1513. Books, supplies, and equipment.
"1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans.
"1515. Vocational rehabilitation outside the United States.
"1516. Rehabilitation resources.
"1517. Employment assistance.
"1518. Personnel training and development.
"1519. Rehabilitation research and special projects.
"1520. Pilot program of independent living services and assistance.
"1521. Veteran' Advisory Committee on Rehabilitation.

"§ 1500. Purpose.

"The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in the functions of daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(1) The term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities of a veteran.

"(2) The term 'program of education' has the meaning provided in section 1652(b) of this title.

"(3) The term 'program of independent living services and assistance' includes both (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in the functions of daily living, including, but not limited to, such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in such functions, and (B) the assistance authorized by this chapter for such veteran.

"(4) The term 'rehabilitated' means rendered employable in the occupation for which a vocational rehabilitation program has been provided under this chapter.

"(5) The term 'rehabilitation program' means (A) a vocational rehabilitation program, or (B)(i) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be feasible, and (ii) the assistance authorized by this chapter for such veteran.

"(6) The term 'serious employment handicap' means a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

"(7) The term 'vocational goal' means a gainful employment status that is consistent with an individual's abilities, aptitudes, and interests.

"(8) The term 'vocational rehabilitation program' includes both (A) the service provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including, but not limited to, such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed in order (i) to determine whether a vocational goal is feasible for a veteran, (ii) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (iii) in the case of a veteran for whom a vocational goal is determined to be feasible, to enable such veteran to achieve maximum independence in the functions of daily living and to become, to the maximum extent feasible, employable and to obtain and maintain suitable employment, and (B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.

"§ 1502. Basic entitlement

"A veteran shall be entitled to rehabilitation under the terms and conditions of this chapter if such veteran—

"(1) has a service-connnected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title and which was incurred or aggravated inservice on or after September 16, 1940; and

"(2) was released from active military, naval, or air service under conditions other than dishonorable or is, pending discharge, hospitalized in a hospital over which the Secretary of Defense has jurisdiction.

"§ 1503. Periods of eligibility

"(a) Unless a longer period of eligibility is authorized pursuant to subsection (b), (c), or (d) of this section, educational assistance or rehabilitation may not be afforded to a veteran under this chapter after the end of the ten-year period beginning on the date of such veteran's discharge or release.

"(b)(1) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because a medical condition made it infeasible for such veteran to participate in such a program, the ten-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.

"(2) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because (A) such veteran has not met the requirement of a discharge or release under conditions other than dishonorable before (i) a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, (ii) a correction of the military records of the service department concerned under section 1552 of title 10, or (iii) other corrective action by competent authority, or (B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar to such benefits, the ten-year period of eligibility shall run from the date on which such veteran's discharge or dismissal was so changed, corrected, or modified or the Administrator made such determination, as appropriate.

"(3) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability which is compensable under chapter 11 of this title and such veteran has a serious employment handicap, vocational rehabilitation may be afforded such veteran during the ten-year period beginning on the date on which notification is mailed to such veteran that it has been determined that such disability exists.

"(c) A veteran who is in need of services to overcome a serious employment handicap may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines an extension of the applicable period of eligibility to be necessary for such veteran based upon such veteran's particular employment handicap and need for such services if—

"(1) such veteran had not previously been rehabilitated under this chapter;

"(2) such veteran had previously been rehabilitated under this chapter but (A) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities, or (B) such need for such services has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran previously received vocational rehabilitation under this chapter; or

"(3) the Administrator determines, under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to carry out the purposes of this chapter.

"(d) A veteran whose disability or disabilities are so severe that a vocational goal for such veteran is determined not to be feasible may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence.

"§ 1504. Scope of services and assistance

"(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe; shall include—

"(1) evaluation of the potential for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate;

"(2) educational, vocational, psychological, employment, and personal adjustment counseling;

"(3) an allowance and other appropriate assistance, as authorized by section 1508 of this title;

"(4) a work study allowance as authorized by section 1685 of this title;

"(5) placement services to effect suitable placement in employment, and postplacement services to attempt to assure satisfactory adjustment in employment;

"(6) personal adjustment and work adjustment training;

"(7) vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case; of this title;

"(8) loans as authorized by section 1511 of this title;

"(9) treatment, care and services described in chapter 17 of this title;

"(10) prosthetic appliances, eyeglasses, and other corrective and assistive devices;

"(11) services to a veteran's family as necessary for the effective rehabilitation of such veteran;

"(12) for the most severely disabled veterans requiring homebound training or self employment, or both homebound training and self employment, such license fees, essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the furnishing of such fees, equipment, supplies, and stocks;

"(13) travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage; and

"(14) special services related to blindness and deafness, such as

"(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

"(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

"(C) telecommunications, sensory, and other technical aids and devices.

"(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796).

"(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

"§ 1505. Duration of rehabilitation programs

"(a) The period of time for extended evaluation to evaluate or to improve the rehabilitation potential of a veteran for whom the feasibility of achieving a vocational goal is undetermined may not exceed twelve months, except that such period of time may be extended for additional periods of up to six months each if the Administrator determines that, during the extended period concerned, it is reasonably likely that a determination can be made with respect to such veteran as to whether the achievement of a vocational goal is feasible.

"(b) Except as provided in subsection (c) of this section, a vocational rehabilitation program for a veteran under this chapter following a determination of the feasibility of achieving a vocational goal may not exceed forty-eight months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be extended for an additional period not to exceed eighteen months.

"(c) The Administrator may extend further the period of vocational rehabilitation for a veteran with a serious employment handicap under the circumstances described in clause (2) or (3) of section 1503(c) of this title to the extent that an extension of such period is necessary to enable such veteran to achieve a vocational goal.

"(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial improvement in a veteran's ability to live and function independently, a program of independent living services and assistance for a veteran under this chapter following a determination that such veteran's disability or disabilities are so severe that the achievement of a vocational goal is not feasible may not exceed twenty-four months.

"§ 1506. Initial and extended evaluations; determinations regarding serious employment handicap

"(a) A veteran with a service-connected disability who applies for benefits under this chapter shall be provided with an initial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary to determine whether such veteran has or may have a serious employment handicap.

"(b) A veteran as to whom it is determined under subsection (a) of this section that a serious employment handicap exists or may exist shall be provided with extended evaluation consisting of services described in section 1504(a)(1) of this title, such services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed to achieve a vocational goal, and appropriate assistance as authorized by section 1508 of this title.

"(c) Not later than the end of the period of extended evaluation for a veteran under subsection (b) of this section (including any extensions under section 1505(a) of this title), the Administrator shall determine whether such veteran has a serious employment handicap; and a veteran who is determined to have a serious employment handicap and as to whom it is determined that the achievement of a vocational goal is feasible shall be provided with an individualized written plan of vocational rehabilitation and shall be afforded counseling in accordance with such plan.

"(d) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of services and assistance under this chapter to such veteran.

"§ 1507. Individualized vocational rehabilitation plan

"(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(c) of this title. Such plan shall be developed jointly with such veteran, and shall include, but not be limited to (1) a statement of long range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) the name and business address and telephone number of the Veterans' Administration employee assigned responsibility for the management and followup of the provision of such services and assistance to such veteran.

"(b) The plan formulated under subsection (a) of this section for a veteran shall be reviewed at least annually, and each such veteran shall be afforded the opportunity to participate in each review of such plan and jointly to redevelop such plan.

"(c) Prior to agreeing to a plan under subsection (a) of this section or to any redevelopment or denial of redevelopment of a plan under subsection (b) of this section, a veteran shall be informed of such veterans' opportunity for a review as set forth in the following sentence. If a veteran does not agree to such plan, redevelopment, or denial of redevelopment, the plan as proposed together with a written statement, prepared by or for such veteran, of such veteran's objections to such plan shall be reviewed by the Administrator or the Administrator's designee in the Central Office of the Veterans' Administration, and a decision shall be rendered on such review not later than ninety days after the date on which such veteran submits a written request for such review to the person described in subsection (a)(5) of this section.

"§ 1508. Allowances

"(a) Unless a veteran elects to receive an educational assistance allowance pursuant to subsection (f) of this section, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of (1) extended evaluation, (2) participation in a rehabilitation program under this chapter, and (3) postvocational rehabilitation training (not to exceed two months).

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$277	$343	$404	$30
Three-quarter time	208	258	302	22
Half-time	138	171	202	15
Farm cooperative, apprentice, or other on-job training: Full-time	242	292	337	22
On-job training or work experience for no or nominal pay in Federal agency: Full-time	277	343	404	30
Extended evaluation: Full-time	277	343	404	30
Independent living training:				
Full-time	277	343	404	30
Three-quarter time	208	258	302	22
Half-time	138	171	202	15

"(c)(1) If the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to such veteran for such month, directly or indirectly. Based upon such written statement, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

"(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1516(a)(1) of this title for no or nominal pay shall be paid the appropriate subsistence rate provided in subsection (b) of this section for an institutional program.

"(d)(1) The Administrator shall, in accordance with regulations which the Administrator shall prescribe not inconsistent with regulations governing the determination of full-time status and part-time status under chapter 34 of this title, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

"(2) A veteran undergoing extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

"(3) During the two-month period following a determination that a veteran with a serious employment handicap is rehabilitated, such veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of rehabilitation program that such veteran pursued.

"(e) In the case of a veteran pursuing a rehabilitation program on a full-time residential basis in a specialized rehabilitation facility, the Administrator shall be authorized, upon the request of such veteran, to pay to such facility the cost of such veteran's room and board and to pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) To the extent that a veteran who is determined not to have a serious employment handicap has remaining eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, in lieu of services and assistance pursuant to the provisions of this chapter other than this subsection, to pursue a program of education and receive an educational assistance allowance and other assistance as authorized under chapter 34 of this title, together with such services under section 1504 (2), (5), (6), and (11) of this title as such veteran may request and the Administrator determines to be necessary to accomplish the purposes of this chapter, if the Administrator approves such veteran's chosen educational, professional, or vocational objective of such program. In the event that such veteran makes such an election, the terms and conditions, including allowances and other assistance, applicable to the pursuit of a program of education under such chapter shall apply.

"(g)(1) Notwithstanding any other provision of this title, the subsistence allowance for a veteran who is pursuing a program of vocational rehabilitation under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

"(A) If such veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such allowance and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran has one or more dependents, the Administrator shall pay such allowance to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such allowance, but only to the extent that both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If such veteran does not request the Administrator to pay to a particular dependent of such veteran any amount payable on account of such dependent or such dependent does not join in such request, the amount involved shall not be paid to or accrued by such veteran. The Administrator shall, while such veteran is so incarcerated, withhold any amount of such allowance, not payable on account of a dependent or dependents, that is accrued by such veteran and shall pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a vocational rehabilitation program under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(h)(1) Notwithstanding any other provision of this title, the educational assistance allowance for a veteran who has elected to receive such allowance pursuant to subsection (f) of this section and who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

"(A) If such veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay such veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay such veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If such veteran does not request the Administrator to pay to a particular dependent of such veteran any amount payable on account of such dependent or such dependent does not join in such request, the amount involved, if not payable to such veteran under the first sentence of this subparagraph, shall not be paid to or accrued by such veteran. The Administrator shall pay any excess amount accrued by such veteran to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(i) Notwithstanding any other provision of this title, in the case of a veteran pursuing a vocational rehabilitation program while institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility, or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the subsistence or (if such veteran has made an election under subsection (f) of this section) educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been so institutionalized for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) or (h) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

"(j) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§ 1509. Entitlement to independent living services and assistance

"A veteran who is prevented from entering a vocational rehabilitation program under this chapter because such veteran's disability or disabilities are so severe that it is determined that the achievement of a vocational goal is not feasible shall be entitled, pursuant to the provisions of section 152 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in the functions of daily living.

"§ 1510. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator determines necessary for granting leaves of absence to veterans pursuing a rehabilitation program under this chapter. During authorized leaves of absence, a veteran shall be considered to be pursuing such program.

"§ 1511. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator determines necessary to promote satisfactory conduct and cooperation on the part of veterans who are pursuing rehabilitation programs under this chapter. If a veteran fails to maintain satisfactory conduct or cooperation, the Administrator may discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstitute such services and assistance only if the Administrator determines that—

"(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

"(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

"§ 1512. Revolving fund loans

"The revolving fund established pursuant to part VII of Veterans Regulations Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of twice the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in section 1508(b) of this title, to veterans pursuing rehabilitation programs under this chapter. Such advances, and advances from such fund made before the effective date of the Disabled Veterans Rehabilitation Act of 1980, shall bear no interest and shall be repaid in such installments, as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowances, or retirement pay.

"§ 1513. Books, supplies, and equipment

"Any books, supplies, or equipment furnished a veteran under this chapter shall be deemed released to such veteran, except that if the Administrator determines that, because of fault on such veteran's part, such veteran has failed to complete the course of vocational rehabilitation, the Administrator may require such veteran to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof. Such books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may determine.

"§ 1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

"(a) Services and assistance may be provided under this chapter to an individual who is hospitalized pending discharge from active military, naval, or air service if such individual would be eligible for such services and assistance except for the fact that such individual has not been discharged or released from such service. In such cases, no subsistence allowance shall be paid.

"(b) Service and assistance may be provided under this chapter to a veteran who is institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility or, where feasible, in any other hospital or medical facility.

"§ 1515. Vocational rehabilitation outside the United States

"Pursuant to regulations which the Administrator shall prescribe, a program of vocational rehabilitation under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

"§ 1516. Rehabilitation resources

"(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program for no or nominal pay when the Administrator determines such training or work experience is necessary to accomplish such veteran's rehabilitation;

"(2) use the facilities, staff, and other resources of the Veterans' Administration;

"(3) employ such additional personnel and experts as the Administrator considers necessary; and

"(4) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

"(b)(1) While pursuing on-job training or work experience under clause (1) of subsection (a) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"(2) Use of facilities, staff, and other resources of the Department of Medicine and Surgery under clause (2) of subsection (a) of this section, to provide rehabilitation services under this chapter, including medical services authorized under chapter 17 of this title, shall, as provided for in a veteran's individualized written plan of vocational rehabilitation developed under section 1507 of this title, be procured through contract with such department; and the amounts of payments for such services shall be determined in accordance with current accounting principles used within such department, subject to review and modification by the Administrator with respect to the reasonableness of proposed charges.

"(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall, as provided for in a veteran's individualized written plan of vocational rehabilitation developed under section 1507 of this title, be procured through contract, agreements, or other cooperative arrangement.

"§ 1517. Employment assistance

"(a) A veteran who has participated in a vocational rehabilitation program under this chapter or a similar program under the Rehabilitation Act of 1973 and who is determined to be employable shall be furnished assistance in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap. Such assistance may include (1) direct placement of such veteran in employment; and (2) utilization of placement services of (A) programs under the Rehabilitation Act of 1973, (B) the State employment service and the Veterans Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) any other public or nonprofit organization having placement services available.

"(b)(1) If a veteran has completed vocational rehabilitation for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

"(2) The Administrator may, under the terms and conditions of clause (12) of section 1504(a) of this title, furnish a veteran described in such clause who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies as are determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

"(c)(1) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for veterans with service-connected disabilities through direct Veterans' Administration employee outreach, in cooperation with activities carried out by the Secretary of Labor, to employers and through Veterans' Administration coordination with Federal, State, and local governmental agencies and appropriate nongovernmental organizations.

"(2) The Administrator shall prescribe regulations, subject to the approval of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. subch. V) and section 2012 of this title, authorizing payments to be made to employers for providing on-job training to veterans who have been rehabilitated under this chapter in individual instances when the Administrator determines such payment to be necessary to obtain the needed on-job training or to begin employment. Such payments shall not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity. If any such veteran participates in such on-job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for and entitlement to such allowance, be paid such allowance.

"§ 1518. Personnel training and development

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter. The objective of such training shall be to assure that rehabilitation services for veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

"(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education in planning and carrying out personnel training in areas of mutual programmatic concern.

"§ 1519. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

"(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

"(2) projects which are desired to increase resources and potential for accomplishing the rehabilitation of disabled veterans.

"(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

"§ 1520. Pilot program of independent living services and assistance

"(a) During fiscal years 1981 through 1985, the Administrator is authorized to contract with public or nonprofit agencies with a demonstrated capacity to conduct programs of independent living services for severely handicapped persons to provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter in various geographical regions, to veterans as to whom it is determined that the achievement of vocational goals are not feasible, who are selected pursuant to criteria prescribed in such regulations, and who have remaining entitlement and periods of eligibility for rehabilitation under this chapter. The Administrator shall, to maximum extent feasible, including substantial numbers of veterans undergoing long-term institutionalization in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans among those to whom independent living services and assistance are provided under this subsection. A program of independent living services and assistance for a veteran shall consist of such services described in section 1504 (a) and (b) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in the functions of daily living. Such veteran shall have the same procedural rights with respect to an individualized written plan for services and assistance as is afforded veterans participating in vocational rehabilitation under section 1507 of this title. Any contract for services that are initiated with respect to any veteran prior to the end of fiscal year 1985 may be continued in effect after the end of fiscal year 1985 for the purposes of providing services to such veteran in accordance with the provisions of this chapter.

"(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the program of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

"(1) the results of a study which the Administrator shall conduct of the accomplishments and cost effectiveness of such program, including the extent to which (A) such program has met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in the functions of daily living as a result of participation in the program, and (C) costs of care in hospitals and nursing homes have been and may be avoided as the result of such services; and

"(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living services and assistance to veterans for whom the achievement of a vocational goal is not feasible.

"§ 1521. Veterans' Advisory Committee on Rehabilitation

"(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the 'Committee'). The Members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not to exceed three years. Service-connected disabled veterans shall constitute no less than one-half of the voting membership of the Committee, and the Committee shall also include individuals who have distinguished themselves in both the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the voting members of the Committee as the chairman of the Committee. In addition to the members appointed by the Administrator, the membership of the Committee shall include as ex officio nonvoting members representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, and of the Secretary of Health and Human Services.

"(b) The Administrator shall advise and consult with the Committee on a regular basis with respect to the administration of veterans' rehabilitation programs under this title.

"(c) The Committee shall submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the Veterans' Administration and shall submit such other reports or recommendations to the Administrator and the Congress as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs.".

(b) The items relating to chapter 31 in the table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are amended to read as follows:

"31. Training Rehabilitation for Service-Connected Disabled Veterans.......1500".

TITLE II—TECHNICAL AMENDMENTS—EFFECTIVE DATE

Sec. 201. Section 1781 of title 38, United States Code, is amended by inserting immediately after "36" the following: "or subsistence allowance granted under chapter 31".

Sec. 202. Section 1795 of title 38, United States Code, is amended by—

(1) amending clause (4) to read as follows:

"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";

(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and

(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof the following: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided by such chapter are required to accomplish the rehabilitation purposes set forth in that chapter.".

SEC. 203. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following: "The thirty-six month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.".

SEC. 204. Section 1682 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(h) Notwithstanding any other provision of this title, in the case of an eligible veteran pursuing a program of education while institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been so institutionalized for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.".

SEC. 205. In the case of any veterans who has filed a claim for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for (1) a comprehensive diagnostic evaluation by Veterans' Administration employees responsible for such evaluations under chapter 31 of title 38, United States Code, of such veteran's potential for vocational rehabilitation and employment, and (2) such evaluation to be considered in the adjudication of such veteran's claim, unless the Administrator finds such evaluation and consideration not to be reasonably necessary for the purposes of such adjudication.

SEC. 206. Section 1624(a) of title 38, United States Code, is amended to read as follows:

"(a)(1) If a participant dies, the amount of such participant's unused contributions to the fund shall be paid to living person or persons first listed below:

"(A) The beneficiary or beneficiaries designated by such participant's Servicemen's Group Life Insurance policy.

"(B) The surviving spouse of the participant.

"(C) The surviving child or children of the participant, in equal shares.

"(2) If there is no such person living, such amount shall be paid to the participant's estate.".

SEC. 207. The provisions of this Act shall become effective on October 1, 1980.

Amend the title so as to read: "A bill to amend title 38, United States Code, to improve, expand, and modernize the program of vocational rehabilitation for service-connected disabled veterans under chapter 31 of such title, and to provide for a pilot program of independent living services for certain severely disabled veterans under such chapter; and for other purposes."

Changes in existing law made by Amendment No. 1661 to S. 1188 as introduced are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

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32. Post-Vietnam Era Veterans' Educational Assistance 1601
34. Veterans' Educational Assistance 1650
35. Survivors' and Dependents' Educational Assistance 1700
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Chapter 31—[VOCATIONAL] *TRAINING AND* REHABILITATION *FOR SERVICE-CONNECTED DISABLED VETERANS*

Sec.
1500. Purpose.
1501. Definitions.
1502. Basic entitlement.
1503. Periods of eligibility.
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§ 1500. Purpose

The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in the functions of daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

§ 1501. Definitions

For the purposes of this chapter—

[(1) The term "World War II" means the period beginning on September 16, 1940, and ending on July 25, 1947.]

(1) The term "medical condition" means a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities of a veteran.

(2) The term "program of education" has the meaning provided in section 1652(b) of this title.

(3) The term "program of independent living services and assistance" includes both (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in the functions of daily living, including, but not limited to, such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in such functions, and (B) the assistance authorized by this chapter for such veteran.

(4) The term "rehabilitated" means rendered employable, in the occupation for which a vocational rehabilitation program has been provided under this chapter.

(5) The term "rehabilitation program" means (A) a vocational rehabilitation program, or (B) (i) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be feasible, and (ii) the assistance authorized by this chapter for such veteran.

(6) The term "serious employment handicap" means a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

(7) The term "vocational goal" means a gainful employment status that is consistent with an individual's abilities, aptitudes, and interests.

(8) The term "vocational rehabilitation *program*" [means training (including educational and vocational counseling, all appropriate individualized tutorial assistance, and other necessary incidental services) for the purpose of restoring employability, to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability] *includes both (A) the services provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including, but not limited to, such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed in order (i) to determine whether a vocational goal is feasible for a veteran, (ii) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (iii) in the case of a veteran for whom a vocational goal is determined to be feasible, to enable such veteran to achieve maximum independence in the functions of daily living and to become, to the maximum extent feasible, employable and to obtain and maintain suitable employment, and (B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.*

§ 1502. Basic entitlement

[(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability arose out of service during World War II or thereafter.

[(b) Unless a longer period is prescribed by the Administrator, no course of vocational rehabilitation may exceed four years. If the veteran has pursued an educational or training program under chapters 33 (prior to its repeal), 34, 35, or 36 of this title, such program shall be utilized to the fullest extent practical in determining the character and duration of the vocational rehabilitation to be furnished the veteran under this chapter.

[(c) Vocational rehabilitation may not be afforded outside of a State to a veteran on account of post-World War II service if the veteran, at the time of such service, was not a citizen of the United States.

[(d) Veterans pursuing a program of vocational rehabilitation training under the provisions of this chapter shall also be eligible, where feasible, to perform veteran student service pursuant to section 1685 of this title and for advance subsistence allowance payments as provided by section 1780 of this title.]

A veteran shall be entitled to rehabilitation under the terms and conditions of this chapter if such veteran—

(1) has a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; and

(2) was released from active military, naval, or air service under conditions other than dishonorable or is, pending discharge, hospitalized in a hospital over which the Secretary of Defense has jurisdiction.

§ 1503. Periods of eligibility

(a) Unless a longer period of eligibility is authorized pursuant to subsection (b) [or (c)] *(c), or (d)* of this section, [vocational] *educational assistance or* rehabilitation may not be afforded to a veteran [after nine years following the veteran's discharge or release; except vocational rehabilitation may be afforded to any person until October 15, 1971, if such person is eligible for vocational rehabilitation by reason of a disability arising from service before October 15, 1962, but either after World War II, and before the Korean conflict, or after the Korean conflict] *under this chapter after the end of the ten-year period beginning on the date of such veteran's discharge or release.*

(b)(1) [where] *If the Administrator determines that* a veteran [is] *has been* prevented from entering or [having entered, from] completing *a* vocational rehabilitation [training] *program under this chapter* within the period of eligibility [described] *prescribed* in subsection (a) of this section [because—]

[(1) the veteran had not timely attained, retained, or regained medical feasibility for training because of disability;

[(2) the veteran had not timely met the requirement of a discharge or release under conditions other than dishonorable, but the nature of such discharge or release was later changed by appropriate authority; or

[(3) the veteran had not timely established the existence of a compensable service-connected disability,

such training may be afforded the veteran during a period not to exceed four years beyond the period of eligibility otherwise applicable to the veteran] *because a medical condition made it infeasible for such veteran to participate in such a program, the ten-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.*

(2) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because (A) such veteran had not met the requirement of a discharge or release under conditions other than dishonorable before (i) a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, (ii) a correction of the military records of the service department concerned under section 1552 of title 10, or (iii) other corrective action by competent authority, or (B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar to such benefits, the ten-year period of eligibility shall run from the date on which such veteran's discharge or dismissal was so changed, corrected, or modified or the Administrator made such determination, as appropriate.

(3) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability which is compensable under chapter 11 of this title and such veteran has a serious employment handicap, vocational rehabilitation may be afforded such veteran during the ten-year period beginning on the date on which notification is mailed to such veteran that it has been determined that such disability exists.

(c) A veteran who is [found to be] in need of [vocational rehabilitation] services to overcome the handicap of blindness, or other serious disability, resulting from a service-connected disability which affords basic eligibility for vocational rehabilitation under section 1502 of this title may be afforded such vocational rehabilitation after the termination date otherwise applicable to the veteran when such action is determined by the Administrator to be necessary for such veteran based upon such veteran's disability and need for vocational rehabilitation, if—] *a serious employment handicap may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines an extension of the applicable period of eligibility to be necessary for such veteran based upon such veteran's particular employment handicap and need for such services if—*

(1) [the] *such* veteran had not previously been rehabilitated [(that is, rendered employable) as the result of training furnished] under this chapter [or];

[(2) such serious disability (whether blindness or otherwise) has developed from, or as a result of, the worsening of the veteran's service-connected disability since the veteran was declared rehabilitated to the extent that it precludes the veteran performing the duties of the occupation for which the veteran was previously trained under this chapter.]

(2) such veteran had previously been rehabilitated under this chapter but (A) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities, or (B) such need for such services has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran previously received vocational rehabilitation under this chapter; or

(3) the Administrator determines, under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to carry out the purposes of this chapter.

(d) A veteran whose disability or disabilities are so severe that a vocational goal for such veteran is determined not to be feasible may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence.

§ 1504. Scope of services and assistance

(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe shall include—

(1) evaluation of the potential for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate;

(2) educational, vocational, psychological, employment, and personal adjustment counseling;

(3) an allowance and other appropriate assistance, as authorized by section 1508 of this title;

(4) a work study allowance as authorized by section 1685 of this title;

(5) placement services to effect suitable placement in employment, and postplacement services to attempt to assure satisfactory adjustment in employment;

(6) personal adjustments and work adjustment training;

(7) vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case;

(8) loans as authorized by section 1511 of this title;

(9) treatment, care and services described in chapter 17 of this title;

(10) prosthetic appliances, eyeglasses, and other corrective and assistive devices;

(11) services to a veteran's family as necessary for the effective rehabilitation of such veteran;

(12) for the most severely disabled veterans requiring homebound training or self employment, or both homebound training and self employment, such license fees, essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the furnishing of such fees, equipment, supplies, and stocks;

(13) travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage; and

(14) special services related to blindness and deafness, such as

(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

(C) telecommunications, sensory, and other technical aids and devices.

(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796).

(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

§ 1505. Duration of rehabilitation programs

(a) The period of time for extended evaluation to evaluate or to improve the rehabilitation potential of a veteran for whom the feasibility of achieving a vocational goal is undetermined may not exceed twelve months, except that such period of time may be extended for additional periods of up to six months each if the Administrator determines that, during the extended period concerned, it is reasonably likely that a determination can be made with respect to such veteran as to whether the achievement of a vocational goal is feasible.

(b) Except as provided in subsection (c) of this section, a vocational rehabilitation program for a veteran under this chapter following a determination of the feasibility of achieving a vocational goal may not exceed forty-eight months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be extended for an additional period not to exceed eighteen months.

(c) The Administrator may extend further the period of vocational rehabilitation for a veteran with a serious employment handicap under the circumstances described in clause (2) or (3) of section 1503(c) of this title to the extent that an extension of such period is necessary to enable such veteran to achieve a vocational goal.

(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial improvement in a veteran's ability to live and function independently, a program of independent living services and assistance for a veteran under this chapter following a determination that such veteran's disability or disabilities are so severe that the achievement of a vocational goal is not feasible may not exceed twenty-four months.

§ 1506. Initial and extended evaluations; determinations regarding serious employment handicap

(a) A veteran with a service-connected disability who applies for benefits under this chapter shall be provided with an initial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary to determine whether such veteran has or may have a serious employment handicap.

(b) A veteran as to whom it is determined under subsection (a) of this section that a serious employment handicap exists or may exist shall be provided with extended evaluation consisting of services described in section 1504(a)(1) of this title, such services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed to achieve a vocational goal, and appropriate assistance as authorized by section 1508 of this title.

(c) Not later than the end of the period of extended evaluation for a veteran under subsection (b) of this section (including any extensions under section 1505(a) of this title), the Administrator shall determine whether such veteran has a serious employment handicap; and a veteran who is determined to have a serious employment handicap and as to whom it is determined that the achievement of a vocational goal is feasible shall be provided with an individualized written plan of vocational rehabilitation and shall be afforded counseling in accordance with such plan.

(d) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of services and assistance under this chapter to such veteran.

§ 1507. Individualized vocational rehabilitation plan

(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(c) of this title. Such plan shall be developed jointly with such veteran, and shall include, but not be limited to (1) a statement of long range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) the name and business address and telephone number of the Veterans' Administration employee assigned responsibility for the management and followup of the provision of such services and assistance to such veteran.

(b) The plan formulated under subsection (a) of this section for a veteran shall be reviewed at least annually, and each such veteran shall be afforded the opportunity to participate in each review of such plan and jointly to redevelop such plan.

(c) Prior to agreeing to a plan under subsection (a) of this section or to any redevelopment or denial of redevelopment of a plan under subsection (b) of this section, a veteran shall be informed of such veteran's opportunity for a review as set forth in the following sentence. If a veteran does not agree to such plan, redevelopment, or denial of redevelopment, the plan as proposed together with a written statement, prepared by or for such veteran, of such veteran's objections to such plan shall be reviewed by the Administrator or the Administrator's designee in the Central Office of the Veterans' Administration, and a decision shall be rendered on such review not later than ninety days after the date on which such veteran submits a written request for such review to the person described in subsection (a)(5) of this section.

§ [1504.] *1508.* [Subsistence allowances] *Allowances*

[(a) While pursuing a course of vocational rehabilitation training and for two months after the veteran's employability is determined, each veteran shall be paid a subsistence as prescribed in this section.]

(a) Unless a veteran elects to receive an educational assistance allowance pursuant to subsection (j) of this section, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of (1) extended evaluation, (2) participation in a rehabilitation program under

this chapter, and (3) postvocational rehabilitation training (not to exceed two months).

(b) [The subsistence allowance of a veteran-trainee is to] *Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall* be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of [training] *program being pursued* as specified in column I:

Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:.
Institutional:				
Full-time	$226	$280	$329	$24
Three-quarter-time	170	210	247	18
Half-time	113	140	165	12
Farm cooperative, apprentice, or other on-job training:				
Full-time	197	238	275	18

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	*$277*	*$343*	*$404*	*$30*
Three-quarter time	*208*	*258*	*302*	*22*
Half-time	*138*	*171*	*202*	*15*
Farm cooperative, apprentice, or other on-job training: Full-time.	*242*	*292*	*337*	*22*
On-job training or work experience for no or nominal pay in Federal agency: Full-time.	*277*	*343*	*404*	*30*
Extended evaluating: Full-time	*277*	*343*	*404*	*30*
Independent living training:				
Full-time	*277*	*343*	*404*	*30*
Three-quarter-time	*208*	*258*	*302*	*22*
Half-time	*138*	*171*	*202*	*15*

(c)(*1*) [Where the course of vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to the veteran during the] *If the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to such veteran for such* month, directly or indirectly. Based upon such written [statements,] *statement,* the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.

(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1516(a)(1) of this title for no or nominal pay shall be paid the appropriate subsistence rate provided in subsection (b) of this section for an institutional program.

[(d) The Administrator shall define full-time and part-time training in the case of all eligible veterans pursuing a course of vocational rehabilitation training under this chapter.]

(d)(1) The Administrator shall, in accordance with regulations which the Administrator shall prescribe not inconsistent with regulations governing the determination of full-time status and part-time status under chapter 34 of this title, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

(2) A veteran undergoing extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

(3) During the two-month period following a determination that a veteran with a serious employment handicap is rehabilitated such veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of rehabilitation program that such veteran pursued.

(e) In the case of a veteran pursuing a rehabilitation program on a full-time residential basis in a specialized rehabilitation facility, the Administrator shall be authorized, upon the request of such veteran, to pay to such facility the cost of such veteran's room and board and to pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

(f) To the extent that a veteran who is determined not to have a serious employment handicap has remaining eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, in lieu of services and assistance pursuant to the provisions of this chapter other than this subsection, to pursue a program of education and receive an educational assistance allowance and other assistance as authorized under chapter 34 of this title, together with such services under section 1504 (2), (5), (6) and (11) of this title as such veteran may request and the Administrator determines to be necessary to accomplish the purposes of this chapter, if the Administrator approves such veteran's chosen educational, professional, or vocational objective of such program. In the event that such veteran makes such an election, the terms and conditions, including allowances and other assistance, applicable to the pursuit of a program of education under such chapter shall apply.

(g)(1) Notwithstanding any other provision of this title, the subsistance allowance for a veteran who is pursuing a program of vocational rehabilitation under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

(A) If such veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such allowance and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(B) If such veteran has one or more dependents, the Administrator shall pay such allowance to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such allowance, but only to the extent that both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request, If such veteran-does not reqest the Administrator to pay to a particular dependent of such veteran any amount payable on account of such dependent or such dependent does not join in such request, the amount involved shall not be paid to or accrued by such veteran. The Administrator shall, while such veteran is so incarcerated, withhold any amount of such allowance, not payable on account of a dependent or dependents, that is accrued by such veteran and shall pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a vocational rehabilitation program under this chapter while placed and residing in a halfway house or while participating in a work-release program.

(h)(1) Notwithstanding any other provision of this title, the educational assistance allowance for a veteran who has elected to receive such allowance pursuant to subsection (f) of this section and who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

(A) If such veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay such veteran such amount, not in excess of the appropriate date, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(B) If such veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay such veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If such veteran does not request the Administrator to pay to a particular dependent of such veteran any amount payable on account of such dependent or such dependent does not join in such request, the amount involved, if not payable to such veteran under the first sentence of this subparagraph, shall not be paid to or accrued by such veteran. The Administrator shall pay any excess amount accrued by such veteran to such veteran upon such veteran's release from prison or jail or at the request of such veteran, purchase with such excess amount and hold for such veteran United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

(i) Notwithstanding any other provision of this title, in the case of a veteran pursuing a vocational rehabilitation program while institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility, or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the subsistence or (if such veteran has made an election under subsection (f) of this section) educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been so institutionalized for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) or (h) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

(j) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

§ 1509. Entitlement to independent living services and assistance

A veteran who is prevented from entering a vocational rehabilitation program under this chapter because such veteran's disability or disabilities are so severe that it is determined that the achievement of a vocational goal is not feasible shall be entitled, pursuant to the provisions of section 1521 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in the functions of daily living.

§ [1505.] *1510.* Leaves of absence

The Administrator shall prescribe such regulations as the Administrator [deems] *determines* necessary for granting leave of absence to veterans pursuing a [course of vocational rehabilitation training. Such leaves of absence shall not be granted to any veteran in excess of thirty days in any consecutive twelve months, except in exceptional circumstances.] *rehabilitation program under this chapter.* During authorized leaves of absence, a veceran shall be considered [as] *to be* pursuing [the veteran's course of vocational rehabilitation training] *such program.*

§ 1506. Medical care for trainees

[The Administrator may furnish veterans receiving vocational rehabilitation such medical care, treatment, hospitalization, and prosthesis as may be necessary to accomplish the purposes of this chapter, whether or not such medical care, treatment, hospitalization, or prosthesis is otherwise authorized under chapter 17 of this title.]

§ [1508.] *1511.* Regulations to promote [good] *satisfactory conduct and cooperation*

The Administrator shall prescribe such rules and regulations as the Administrator [deems] *determines* necessary [in order] to promote [good] *satisfactory* conduct and cooperation on the part of veterans who are [receiving vocational rehabilitation. Penalties for the breach of such rules and regulations may extend to (1) forfeiture by the offender for three months of subsistence allowance otherwise payable, and (2) permanent disqualification for further vocational rehabilitation.] *pursuing rehabilitation programs under this chapter. If a veteran fails to maintain satisfactory conduct or cooperation, the Administrator may discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstitute such services and assistance only if the Administrator determines that—*

(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

§ [1507.] *1512.* [Loans to trainees] *Revolving fund loans*

The revolving fund [which was] established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of [$200 in any case] *twice the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in section 1508(b) of this title, veterans* [commencing or undertaking courses of vocational rehabilitation] *pursuing rehabilitation programs under this chapter. Such advances, and advances* [heretofore made] *from such fund made before the effective date of the Disabled Veterans Rehabilitation Act of 1980,* shall bear no interest and shall be repaid in such installments, as may be determined by the Administrator, by proper deductions from future payments of [subsistence allowance] compensation, pension, *subsistence allowance, educational assistance allowance, or retirement pay.*

§ [1509.] *1513.* Books, supplies, and equipment

[a] Any books, supplies, or equipment furnished a veteran under this chapter shall be deemed released to [the veteran, except that if, because of fault on the veteran's part, the veteran fails to complete the course of vocational rehabilitation, the veteran may be required by the Administrator to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof] *such veteran, except that if the Administrator determines that, because of fault on such veteran's part, such veteran has failed to complete the course of vocational rehabilitation, the Administrator may require such veteran to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof. Such books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may determine.*

[(b) Returned books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may approve.]

§ [1510.] *1514.* Vocational rehabilitation for hospitalized [persons] *members of the Armed Forces and veterans*

[Vocational rehabilitation may be afforded under this chapter to any person who is hospitalized pending final discharge from the active military, naval, or air service, if such person is qualified for such vocational rehabilitation in every respect except for discharge. No subsistence allowance shall be payable to any person while such person is receiving vocational rehabilitation solely by reason of this section.]

(a) Services and assistance may be provided under this chapter to an individual who is hospitalized pending discharge from active military, naval, or air service if such individual would be eligible for such services and assistance except for the fact

that such individual has not been discharged or released from such service. In such cases, no subsistence allowance shall be paid.

(b) Services and assistance may be provided under this chapter to a veteran who is institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility or, where feasible, in any other hospital or medical facility.

§ 1515. Vocational rehabilitation outside the United States

Pursuant to regulations which the Administrator shall prescribe, a program of vocational rehabilitation under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

[§ 1511. Training and training facilities

[The Administrator shall prescribe and provide vocational rehabilitation to veterans eligible therefor. For such purposes, the Administrator may—

[(1) employ additional personnel and experts, as the Administrator deems necessary;

[(2) utilize and extend Veterans' Administration facilities;

[(3) utilize facilities of any agency of the United States, or any facilities maintained by joint Federal and State contributions;

[(4) provide, by agreement or contract with public or private institutions or establishments for such additional training facilities as may be suitable and necessary;

[(5) cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons who have received vocational rehabilitation.

Notwithstanding any other provision of law, the facilities of any agency of the United States, as designated in clause (3) of this section, may be used to provide unpaid training or work experience as part or all of a veteran's program of vocational rehabilitation when the Administrator determines such training or work experience to be necessary to accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5 but not for the purposes of laws administered by the Civil Service Commission.]

§ 1516. Rehabilitation resources

(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program for no or nominal pay when the Administrator determines such training or work experience is necessary to accomplish such veteran's rehabilitation;

(2) use the facilities, staff, and other resources of the Veterans' Administration;

(3) employ such additional personnel and experts as the Administrator considers necessary; and

(4) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

(b)(1) While pursuing on-job training or work experience under clause (1) of subsection (a) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

(2) Use of facilities, staff, and other resources of the Department of Medicine and Surgery under clause (2) of subsection (a) of this section, to provide rehabilitation services under this chapter, including medical services authorized under chapter 17 of this title, shall, as provided for in a veteran's individualized written plan of vocational rehabilitation developed under section 1507 of this title, be procured through contract with such department; and the amounts of payments for such services shall be determined in accordance with current accounting principles used within such department, subject to review and modification by the Administrator with respect to the reasonableness of proposed charges.

(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall, as provided for in a veterans individualized written plan of vocational rehabilitation developed under section 1507 of this title, be procured through contract, agreement, or other cooperative arrangement.

§ 1517. Employment assistance

(a) A veteran who has participated in a vocational rehabilitation program under this chapter or a similar program under the Rehabilitation Act of 1973 and who is determined to be employable shall be furnished assistance in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap. Such assistance may include (1) direct placement of such veteran in employment; and (2) utilization of placement services of (A) programs under the Rehabilitation Act of 1973, (B) the State employment service and the Veterans Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) any other public or nonprofit organization having placement services available.

(b)(1) If a veteran has completed vocational rehabilitation for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

(2) The Administrator may, under the terms and conditions of clause (12) of section 1504(a) of this title, furnish a veteran described in such clause who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies as are determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

(c)(1) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for veterans with service-connected disabilities through direct Veterans' Administration employee outreach, in cooperation with activities carried out by the Secretary of Labor, to employers and through Veterans' Administration coordination with Federal, State, and local governmental agencies and appropriate nongovernmental organizations.

(2) The Administrator shall prescribe regulations, subject to the approval of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. subch. V) and section 2012 of this title, authorizing payments to be made to employers for providing on-job training to veterans who have been rehabilitated under this chapter in individual instances when the Administrator determines such payments to be necessary to obtain the needed on-job training or to begin employment. Such payments shall not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity. If any such veteran participates in such on-job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for and entitlement to such allowance, be paid such allowance.

§ 1518. Personnel training and development

(a) The Administrator shall provide a program of on-going professional training and development for Veterans' Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter. The objective of such training shall be to assure that rehabilitation services for veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education, in planning and carrying out personnel training in areas of mutual programmatic concern.

§ 1519. Rehabilitation research and special projects

(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

(2) projects which are designed to increase resources and potential for accomplishing the rehabilitation of disabled veterans.

(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

§ 1520. Pilot program of independent living services and assistance

(a) During fiscal years 1981 through 1985, the Administrator is authorized to contact with public or nonprofit agencies with a demonstrated capacity to conduct programs of independent living services for severely handicapped persons to provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter in various geographical regions, to veterans as to whom it is determined that the achievement of vocational goals are not feasible, who are selected pursuant to criteria prescribed in such regulations who have remaining entitlement and periods of eligibility for rehabilitation under this chapter. The Administrator shall, to maximum extent feasible, include substantial numbers of veterans undergoing long-term institutionalization in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans among those to whom independent living services and assistance are provided under this subsection. A program of independent living services and assistance for a veteran shall consist of such services described in section 1504 (a) and (c) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in the functions of daily living. Such veteran shall have the same procedural rights with respect to an individualized written plan of services and assistance as is afforded veterans participating in vocational rehabilitation under section 1507 of this title. Any contract for services that are initiated with respect to any veteran prior to the end of fiscal year 1985 may be continued in effect after the end of fiscal year 1985 for the purposes of providing services to such veteran in accordance with the provisions of this chapter.

(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the program of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

(1) the results of a study which the Administrator shall conduct of the accomplishments and cost effectiveness of such program including the extent to which (A) such program has met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in the functions of daily living as a result of participation in the program, and (C) costs of care in hospitals and nursing homes have been and may be avoided as the results of such services; and

(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living services and assistance to veterans for whom the achievement of a vocational goal is not feasible.

§ 1521. Veterans' Advisory Committee on Rehabilitation

(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the ("Committee"). The members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not be exceed three years. Service-connected disabled veterans shall constitute no less than one-half of the voting membership of the Committee, and the Committee shall also include individuals who have distinguished themselves in both the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the voting members of the Committee as the chairman of the Committee. In addition to the members appointed by the Administrator, the membership of the Committee shall include as ex officio nonvoting members representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, and of the Secretary of Health and Human Services.

(b) The Administrator shall advise and consult with the Committee on a regular basis with respect to the administration of veterans' rehabilitation programs under this title.

(c) The Committee shall submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the Veterans' Administration, and shall submit such other reports or recommendations to the Administrator and

the Congress as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs.

Chapter 32—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter II—Eligibility; Contributions; and Matching Fund

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§ 1624. Death of participant

(a) *(1)* If a participant dies, the amount of such participant's unused contributions to the fund shall be paid [(1)] to the [beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy, or (2) to the participant's estate if no beneficiary has been designated under such policy or if the participant is not insured under the Servicemen's Group Life Insurance program.] *person or persons first listed below:*

(A) The beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy.

(B) The surviving spouse of the participant.

(C) The surviving child or childen of the participant, in equal shares.

(2) If there is no such person living, such amount shall be paid to the participant's estate.

(b) If a participant dies after having been discharged or released from active duty and before using any or all of the contributions which the participant made to the fund, such unused contributions shall be paid as prescribed in subsection (a) of this section.

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Subchapter III—Entitlement; Duration

§ 1631. Entitlement; loan eligibility

(a)(1) A participant shall be entitled to a maximum of 36 monthly benefit payments (or their equivalent in the event of part-time benefit payments). *The thirty-six month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.*

(2) The amount of the monthly payment to which any eligible veteran is entitled shall be ascertained by (A) adding all contributions made to the fund by the eligible veteran, (B) multiplying the sum by 3, (C) adding all contributions made to the fund for such veteran by the Secretary, and (D) dividing the sum by the lesser of 36 or the number of months in which contributions were made by such veteran.

(3) Payment of benefits under this chapter may be made only for periods of time during which an eligible veteran is actually enrolled in and pursuing an approved program of education and, except as provided in paragraph (4), only after an eligible veteran has been discharged or released from active duty.

(4) Payment of benefits under this chapter may be made after a participant has completed his or her first obligated period of active duty (which began after Decem-

ber 31, 1976), or 6 years of active duty (which began after December 31, 1976), whichever period is less.

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Chapter 34—VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter IV—Payments to Eligible Veterans; Veteran-Student Services

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§ 1682. Computation of educational assistance allowances

(a)(1) * * *

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*(f) The educational assistance allowance of a veteran pursuing a course in part by open circuit television shall be computed in the same manner that such allowance is computed under subsection (e) of this section for an independent study program.

*(g)(1) Notwithstanding any other provision of this title, the educational assistance allowance for an eligible veteran who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

(A) If the veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay the veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established changes for tuition and fees required of similarly circumstanced non-veterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to the veteran upon the veteran's release from prison or jail, or at the request of the veteran, purchase with such excess amount and hold for the veteran United States Government securities and deliver them to the veteran upon the veteran's release from prison or jail.

(B) If the veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay the veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to the veteran's dependent or dependents (or legal guardian or guardians thereof) designated by the veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If the veteran does not request the Administrator to pay any amount payable on account of any particular dependent of the veteran to such dependent or the dependent does not join in such request, the amount involved, if not payable to the veteran under the second sentence of this paragraph, will not be paid to or accrued by the veteran. The Administrator shall pay any excess amount accrued by the veteran to the veteran upon the veteran's release from prison or jail or, at the request of the veteran, purchase with such excess amount and hold for the veteran United States Government securities and deliver them to the veteran upon the veteran's release from prison or jail.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

(h) Notwithstanding any other provision of this title, in the case of an eligible veteran pursuing a program of education while institutionalized in a Veterans' Administration hospital, nursing home, or domiciliary facility or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been so institutionalized for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as

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*Subsections (f) and (g) of section 1682 are as passed by the Senate on January 24, 1980, in section 207(3) of H.R. 5288.

are determined to be necessary to meet continuing financial obligations of such veterans.

CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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Subchapter II—Miscellaneous Provisions

§ 1781. Limitations on educational assistance

No educational assistance allowance granted under chapter 34, 35, or 36 *or subsistence allowance granted under chapter 31* of this title shall be paid to any eligible person (1) who is on active duty and is pursuing a course of education which is being paid for by the Armed Forces (or by the Department of Health, Education, and Welfare in the case of the Public Health Service); or (2) who is attending a course of education or training paid for under the Government Employees' Training Act and whose full salary is being paid to such person while so training.

* * * * * * *

§ 1795. Limitation on period of assistance—under two or more programs

The aggregate period for which any person may receive assistance under two or more of the laws listed below—

(1) parts VII or VIII, Veterans Regulation numbered 1(a), as amended;
(2) title II of the Veterans' Readjustment Assistance Act of 1952;
(3) the War Orphans' Educational Assistance Act of 1956;
(4) chapters [31] *32*, 34, 35, and 36 of this title, and the former chapter 33

may not exceed forty-eight months (or the part-time equivalent thereof) [but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone]. *No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided by such chapter are required to accomplish the rehabilitation purposes set forth in that chapter.*

Chairman CRANSTON. Bob, I'm delighted to have you here.

Senator STAFFORD. Thank you, Mr. Chairman.

Through the years, the vocational rehabilitation program for service-connected veterans has been one of the most important programs of the Federal Government.

Since the program was first authorized by Congress in March 1943, over 825,000 disabled veterans have trained under the vocational rehabilitation program with three-fourths of them World War II veterans and over 111,000 Vietnam-era veterans.

Members of this Senate Committee on Veterans' Affairs are now considering improvement in our veterans' vocational rehabilitation program.

We have before us the results of several studies and the decisions must now be made to effect needed changes in the law relating to veterans rehabilitation and in the VA-administered program of rehabilitation.

The Veterans' Administration has submitted two studies: "A study of the Provisions for Veterans' Vocational Rehabilitation," September 1978, and "Vocational Rehabilitation, A Program Evaluation Summary Report," July 1979.

These studies, as well as the General Accounting Office's report of February 26, 1980, to the Chairman of our Senate Committee on Veterans' Affairs indicate that the present VA program is in need of change and improvement to better serve the needs of our Nation's disabled veterans.

Mr. Chairman, I join you in welcoming the several witnesses to this important hearing, and express to each of our witnesses our deep appreciation for their assistance in meeting today's need of our country's service-connected disabled veterans.

Thank you, Mr. Chairman.

Chairman CRANSTON. Thank you very, very much.

We will now go to our first witness, Guy H. McMichael III, General Counsel of the Veterans' Administration.

If you would introduce those accompanying you, sir.

TESTIMONY OF GUY H. McMICHAEL III, GENERAL COUNSEL, VETERANS' ADMINISTRATION, ACCOMPANIED BY NORWOOD L. WILLIAMS, PH. D., ASSISTANT DIRECTOR FOR COUNSELING AND REHABILITATION, EDUCATION AND REHABILITATION SERVICE, DEPARTMENT OF VETERANS' BENEFITS; AND STEPHEN L. LEMONS, ED. D., CHIEF OF PROGRAM DEVELOPMENT, EDUCATION AND REHABILITATION SERVICE, DEPARTMENT OF VETERANS' BENEFITS

Mr. McMICHAEL. Thank you, Mr. Chairman.

To my left is Dr. Norwood Williams, Assistant Director for Counseling and Rehabilitation of the Education and Rehabilitation Service, Department of Veterans Benefits.

To my right is Dr. Stephen Lemons, Chief of Program Development, Education and Rehabilitation Service.

Also in the audience today, Mr. Chairman, are James Kane, Assistant General Counsel; Dr. Larry McKinstry who is Director of the Rehabilitation Medicine Service, Department of Medicine and Surgery; and June Schaeffer, Assistant Director for Policy and Program Administration of the Education and Rehabilitation Service.

Mr. Chairman, it is a real pleasure for me to appear before you today in your refurbished committee room.

I think it is fair to say that we would not be actively considering legislation to revamp our vocational rehabilitation program were it not for the strong interest and leadership that you have exhibited in this matter together with Senator Stafford.

I am aware of your efforts not only with respect to this committee but, also, in connection with the Rehabilitation Amendments Act.

And I think the disabled of our country have much to thank for your great interest in this matter.

Chairman CRANSTON. Thank you very much.

Mr. McMICHAEL. I also think we would not be here today were it not for the strong interest that our Administrator, Max Cleland, has in the needs of disabled veterans.

Since becoming Administrator of Veterans' Affairs he has, I think, tried to redirect our focus within the Veterans' Administration on our No. 1 priority, which is the needs of our service-connected disabled veterans.

And it is primarily a combination of the concern of this committee and the concern of our Administrator that we have before you today legislation which would substantially revise our vocational rehabilitation program.

You were kind enough to introduce S. 1188 which was our draft proposal. We also have your amendment which we have under active consideration and are carefully analyzing right now.

I have a fairly lengthy statement which I would like to submit for the record.

Let me indicate that we have been concerned that the VA, which was a leader at the end of World War II in programs of vocational rehabilitation, may not have kept pace with the developments in the rehabilitation field.

This led Congress to study the matter. As you have mentioned, a number of studies have been done, including one by the General Accounting Office.

We have found all of these studies valuable. Consequently, we have proposed a number of legislative changes.

First and foremost, we believe the purpose of vocational rehabilitation should encompass not only the achievement of employability, as the law currently states, but also entry into and adjustment in suitable employment, including self-employment where appropriate.

We, of course, would continue to utilize the services of the Department of Labor, State employment security agencies, and other Federal agencies where appropriate.

Our second major area of concern is that eligibility for vocational rehabilitation under chapter 31 is time limited. We think that we need some additional flexibility in this area.

There is also a major question of whether the concept of limited time eligibility is validly applicable in the case of a service such as vocational rehabilitation or whether the very nature of that service is such that it should be provided at any time there is a need on account of continuing service-connected disability and where the veteran can profit from it.

Our bill would greatly simplify administrative procedures. We are concerned about the low rate of usage both in on-job training and chapter 31. We hope that we can make greater use of the targeted jobs tax credit program and CETA-OJT in this connection.

We are concerned about the increasing number of disabled veterans who choose to train under chapter 34 rather than chapter 31.

We understand the larger allowances, particularly for those veterans attending low-cost public schools, often makes chapter 34 an inviting alternative.

But we are concerned that, often disabled veterans miss out on some of the needed services that are provided under chapter 31. Our bill would allow service-connected veterans to receive chapter 34 rates and, at the same time, receive needed services under chapter 31.

Our proposal would also make a number of additional changes. It would, as you noted, change the present limit on training time. It would provide for a 2-month payment of postrehabilitation assistance allowances at the full-time rate for the type of training pursued. It would establish subsistence allowances for chapter 31 nonpaid training in Federal agencies. And it would increase the maximum loan under the vocational rehabilitation revolving loan fund.

Mr. Chairman, I might add that the whole concept of rehabilitation has been one in which we have undertaken a great deal of activity on an administrative front, as well as in the proposal of legislation.

The Administrator, on April 9 of last year, adopted an expanded concept of rehabilitation. The Administrator has charged our agency to implement a comprehensive, unified process of rehabilitation that incorporates and coordinates all aspects of service delivery to the veteran.

We held a national rehabilitation conference last July in Washington. Following that, we established a rehabilitation task force. This task force has made preliminary recommendations to the Administrator which are currently being reviewed and analyzed.

We are attempting to focus on the individual's total needs. We believe that chapter 31 should be revised to include specific authority to provide all services—medical, social, psychological, vocational, and economic support—which are needed to enable service disabled handicapped veterans to prepare for and to engage in gainful employment or at least to reach maximum independence.

I know this is a great concern of yours, too, Mr. Chairman. Many of the provisions of our bill codify existing practices regarding specialized services or expand upon them.

We also are seeking, if this legislation is approved, additional staff to help implement our programs.

There are a number of other administrative improvements which I would just like to touch on: We have been expediting the scheduling of service-disabled veterans for counseling; we have been providing additional assistance through VA career development centers; and the job description for our vocational rehabilitation specialists has been revised. We have also attempted to have greater coordination between the Department of Veterans Benefits and the Department of Medicine and Surgery. We have been increasing our staff development and training sessions. And additional special programs to provide supplemental training are in the offing.

This year, we are going to continue our efforts toward implementation of the initiatives established in 1979. We are going to have a study of work measurement system; a comprehensive revision of our regulations is currently being undertaken; additional staff development will be undertaken; and we plan on additional research and development.

We are participating, in a joint effort with the Postal Service and other agencies, to train and place disabled veterans in newly developing positions.

Mr. Chairman, rehabilitation is the cornerstone of a modern Veterans' Administration. It is the very essence of readjustment services which comprise our services to veterans.

And we hope that, with your help, we can proceed to develop the finest program for disabled veterans that we can devise. Thank you.

Chairman **Cranston**. Thank you very much. I would like to say that I deeply appreciate your commitment, that of Max Cleland and the VA, generally, to this very, very important area where, I think, some tremendous ground is now being broken in relationship to handicapped individuals in our society. And there are great things that we can accomplish together.

I do have quite a few questions I would like to ask you.

What program changes is the VA planning to make to carry out the goal of both the Administration bill and the amendment that I have now offered to use sustained employment as a measure of a successfully completed vocational rehabilitation program?

Mr. McMichael. Well, we are doing a study of our work measurement system.

I might ask either Dr. Williams or Dr. Lemons if they want to add to that.

Dr. Lemons. We have engaged a task force on work measurement, Mr. Chairman, which will examine the current measurement system, utilized in our counseling and rehabilitation sections, to make recommendations to the management staff by June of 1980 to reflect more accurately the actual process of counseling and training assistance which our staff engages in.

And we are in hopes that, by fiscal year 1981, we will be able to have a more process and outcome oriented work measurement system to not only reflect the work that was engaged in but to also reflect the effect of our counseling intervention.

Chairman Cranston. Thank you very much.

In my references to legislation in my coming questions, it will be to my amendment unless I specify otherwise.

New section 1517, the employment assistance section, would provide that such employment assistance may include—

> * * * direct placement in employment and utilization of placement services of the program under the Rehab Act of 1973, the State Employment Service and the Veterans' Employment Service of the Department of Labor, the Office of Personnel Management, and any other public or nonprofit organization having placement services available.

To what extent does the VA envision developing its own direct employment assistance services and to what extent will the VA be working with the Department of Labor?

Mr. McMichael. We intend to work very closely with the Department of Labor and with available resources.

It is not our intention to duplicate where there are existing satisfactory resources.

Naturally, under the case manager approach, we want to have our case manager be able to see a veteran through to successful attainment of employment, but we intend to utilize those services which are available and effective.

Where there are situations in which additional services are needed, we would provide them. Where they may not be adequately available in particular areas, we would then provide those services ourselves.

Chairman Cranston. Do you see the current efforts in the area of job placement for chapter 31 participants by DOL and the VA as efficient in terms of adequate coordination and effectiveness?

Mr. McMichael. I think we have been improving coordination. But I think we have got a long way to go. We can always improve our coordination.

One difficulty I have noticed in the executive branch is that often there is a plethora of opportunities, but they are not always well coordinated.

That, clearly, has been the focus of the President in his Presidential Review Memorandum on Vietnam-era Veterans. And we would continue to try to build upon that, Mr. Chairman.

Chairman CRANSTON. How have the VA and the Department undertaken to improve coordination of their services and what further changes are planned for that purpose?

Mr. McMICHAEL. Well, of course, we think one of our most valuable additions was getting a former VA employee nominated and confirmed as Deputy Assistant Secretary for Veterans' Employment.

We have a very close working relationship with Dennis Wyant.

Chairman CRANSTON. I agree. That was a fine step.

Mr. McMICHAEL. We have been entering into memoranda of understanding, and we continue to try to build upon that.

Chairman CRANSTON. The VA advocates complete elimination of any limits on the period of eligibility, as I mentioned in my opening remarks, for a service-connected disabled veteran to utilize his or her chapter 31 benefits in order not to preclude the provision of vocational rehab services whenever the need exists.

Do you believe that my amendment, which, in new section 1503(c)(3), would allow the Administrator, under regulations which he shall prescribe, to extend the period of eligibility when necessary to carry out the purposes of the chapter, adequately deals with your concerns in this area?

Mr. McMICHAEL. Mr. Chairman, I do not think I can give you a conclusive answer today. We are analyzing that.

Chairman CRANSTON. Suppose you take a look at that and let us know.

[Subsequently, the Veterans' Administration submitted the following information:]

S. 1661 liberalizes conditions under which the termination date may be extended and authorizes the Administrator to develop additional bases to assure that the period of eligibility can be extended in meritorious cases. The bill therefore substantially achieves the same objective as open-ended eligibility.

However, the objective is achieved through an elaboration of the present system. Administration would be more difficult and require additional staff time. Elimination of the system of termination dates would simplify administration, conserve staff time, and expedite consideration of the veteran's request for rehabilitative services. Therefore, we believe that elimination of the system of time limits is in the disabled veteran's interest.

Mr. McMICHAEL. We understand your intention is not to limit the provision of services, where needed. And if, indeed, we can do that through regulation, we believe we could support your approach.

Chairman CRANSTON. You understand our purpose and agree with the thrust of it?

Mr. McMICHAEL. Yes, sir.

Chairman CRANSTON. New section 1505(c), relating to the duration of services, authorizes the Administrator to extend the 48-month period of entitlement to services and assistance where necessary to enable a veteran to achieve a vocational goal.

Would you foresee any difficulty in implementing this provision so as to permit an individual veteran to achieve a vocational goal that requires a Masters, Doctoral or Law Degree or an M.D.?

Mr. McMICHAEL. Again, that is a matter that we are analyzing, Mr. Chairman. Again, I think we understand where you are coming from on this.

[Subsequently, the Veterans' Administration submitted the following information:]

We foresee great difficulty in providing training for the master's degree level or beyond under section 1505(c).

Section 1505(c) allows the Administrator to extend the 48-month period of entitlement to vocational rehabilitation for a veteran with a serious employment handicap under the circumstances described in clause (2) or (3) of section 1503(c). These clauses provide for extension of eligibility beyond the basic 10-year period. Since section 1505(b) limits the period of training for a vocational goal during the basic 10-year period of eligibility to 48 months, we must conclude that only those veterans who were unable to begin or complete training during that time are eligible for extension of training beyond 48 months.

Under provisions of section 1505 (b) and (c), a spinal cord injured veteran who began pursuit of a vocational goal one year after discharge from service could not be furnished more than 48 months of training during his or her basic period eligibility, whatever the vocational goal or individual circumstance. This would preclude completion of training for advanced degrees in most cases for such veterans.

Mr. McMichael. I think our objectives are basically the same. We were basically shooting for some increased flexibility.

As I understand your amendment, you believe that your amendment provides some standards but, at the same time, would give us the flexibility we need in appropriate circumstances.

If that is the case, again, we could support your approach.

Chairman Cranston. A later witness in this hearing, Dr. Joseph Moriarty, advocates open-ended retention of services, but termination of cash assistance as a compromise between a 48-month period and an open-ended program.

What do you think of that?

Mr. McMichael. Well, I think I would like to defer to one of my colleagues.

Dr. Williams. I think what Dr. Moriarty is saying is that he would like to see the major rehabilitation services available.

I do not think he is counting upon that you would pay subsistence forever, but he would be in support of the major vocational rehabilitation services.

[Subsequently, the Veterans' Administration submitted the following information:]

S. 1188, section 1503(8), provides postplacement services to ensure satisfactory adjustment to employment. These services would include additional assistance such as provision of tools required by the employer to begin training, services for a blinded veteran or other sensory aids, personal adjustment counseling to help the veteran cope with problems in adjusting to employment, or a brief period of additional training to meet the requirements of a specific employer.

While it is possible that subsistence allowance could be paid, it is not generally expected that this will be the case. Rather, the services contemplated are supplementary to the program already provided.

If, after completing rehabilitation, the veteran's circumstance had changed to the extent that comprehensive service was required, then we believe the case should be reopened, and need for additional services evaluated. If retraining were needed, the veteran should receive all necessary assistance, including subsistence allowance. Therefore, we believe that S. 1188 makes sound provisions for supplementing services following completion of rehabilitation training and reconsideration of the case when there may be further need for comprehensive assistance, and do not support Dr. Moriarty's suggestion.

Mr. Steinberg. I think we understand Dr. Moriarty's suggestion. What we are trying to determine is what your reaction is to this proposal as a possible middle ground between open-ended entitlement to both cash assistance and services, as you initially proposed and the Senator's proposal in the amendment that there be certain limitations subject to extensions on both.

Dr. Moriarty has suggested that the services element be left open ended and that limitations be placed on the assistance part.

Mr. **McMichael.** I think the key here has to be the need of the veteran. And again, that would depend on what the actual needs of a particular disabled veteran are.

I could see circumstances in which that approach might be profitable. I could see others where assistance, cash assistance, might be needed.

Mr. **Steinberg.** So separating those two elements by law might not be wise?

Mr. **McMichael.** That would be my preliminary observation.

Chairman **Cranston.** Some other witnesses here stressed the importance of a comprehensive unfragmented rehabilitation program for the individual, encompassing the vocational, medical, psychological, social, and other needs of the individual resulting from his or her disability. Do you agree with them?

Mr. **McMichael.** Yes. Certainly, the idea of a comprehensive approach is something that the Administrator has been stressing. I might add, Mr. Chairman, that it is often easier to agree upon a comprehensive approach concept than it is to implement and figure out exactly what comprises that comprehensive approach.

But, we are in full agreement with that as a basic concept, and are attempting to work toward it.

Chairman **Cranston.** Do you see any obstacles in the provisions of amendment No. 1661 or in the administrative structure of the VA to providing comprehensive, fully coordinated rehabilitation for vets?

Mr. **McMichael.** Based on my preliminary analysis, I do not see any impediment to providing comprehensive services.

Chairman **Cranston.** New section 1505 provides for a 12-month period of extended evaluation and for extensions of additional periods of up to 6 months when the Administrator determines that it is likely that, during an extended period, a determination can be made with respect to the feasiblility of an employment goal.

During the period of extended evaluation, services and assistance would be authorized to improve the veteran's potential to participate in vocational training. Once it is determined that a vocational goal is feasible, the veteran would enter a program leading to that goal. On the other hand, once it had been determined that the vocational goal is not feasible for the veteran, he or she would have entitlement for the pilot program of independent living services and assistance.

Do you believe that this process of evaluation and decisionmaking regarding the feasibility of a vocational goal would be workable in practice?

Mr. **McMichael.** I believe so. I might ask my colleagues if they have something to add to that.

Dr. **Lemons.** In regard to the first two purposes for such an extended evaluation period, I think we are very much in favor of that.

When you get to the instance of a program consisting of services and assistance for an individual whose vocational goal is determined not to be feasible, I think this would necessitate some study in the Department of Medicine and Surgery.

Chairman Cranston. Amendment No. 1661 would limit the requirements for an individualized written plan of vocational rehabilitation, designation of a case manager, and mandatory counseling services to only those veterans who have a serious employment handicap.

Do you believe this is an appropriate way to focus rehabilitation services on the needs of the more seriously disabled?

Mr. McMichael. Well, again, we have that under analysis.

We understand, I think, the thrust of your amendment, which is to focus our limited resources in the most effective manner.

And to that extent, we favor applying the resources to those who are definitely in need. How that might be accomplished is a matter that we currently have under review.

Chairman Cranston. The Rehabilitation Act of 1973 requires, as would my amendment, the joint development of an individualized written rehabilitation plan by the individual and the VA.

Do you have any objections to joint development, provided for in the amendment, so that disabled veterans would be assured the same degree of participation as other handicapped persons under the State VR system?

Mr. McMichael. No, I don't believe we have any objection to that, Mr. Chairman.

Chairman Cranston. Are there particular types of service and assistance not provided for in Amendment No. 1661 that you believe should be included?

Mr. McMichael. We would like to supply that for the record.

[Subsequently, the Veterans' Administration submitted the following information:]

We believe the types of service and assistance included provide the comprehensive scope necessary for rehabilitation. We do not recommend additions or modifications except as indicated in our responses to other questions.

Chairman Cranston. In new section 1517(b)(1), the VA would be required to help assure that certain chapter 31 participants receive the special consideration from the Small Business Administration to which they are entitled under the Small Business Act.

Do you believe that that is an appropriate requirement?

Mr. McMichael. Yes, I do.

Chairman Cranston. Do you believe it would be similarly appropriate in this legislation to charge the VA with helping to assure that chapter 31 participants receive the benefits of various employment assistance mechanisms such as the 10-point civil service preference, veterans' readjustment appointments, certain noncompetitive appointments, the targeted job tax credit, and CETA's special provisions for disabled veterans?

Mr. McMichael. Again, this gets back to the issue of coordination. I believe that the Veterans' Administration, charged with the mission of helping veterans and helping disabled veterans, in particular, should attempt to coordinate those available Federal services.

And we would attempt to do so.

Mr. Steinberg. Would you agree that, in assisting you to help carry out that function, that a specific reference in chapter 31 to the need for such coordination and the provision for the VA to actively encourage such coordination would be useful?

Mr. McMichael. I would like to see the specific language but, in general, I think we would agree with that.

Chairman Cranston. New section 1508(f), as proposed in the amendment, would permit a chapter 31 participant who has no serious employment handicap to elect to receive a chapter 34 educational assistance allowance in lieu of a chapter 31 subsistence allowance and VA payment of tuition and certain other costs.

This contrasts with your proposal to allow service-connected disabled veterans enrolled under chapter 34 to elect to receive certain chapter 31 services.

If the provision in the amendment were modified to allow all chapter 31 participants, rather than just those with serious employment handicaps, to elect chapter 34 allowances, how would you compare these two approaches, particularly in the light of the GAO's position that the approach in the amendment would provide more clearly for accountability with respect to the provision of services to service-connected disabled veterans?

Mr. McMichael. As I understand your modification, that would be that any disabled veteran would enroll in chapter 31 but, as his election, could receive chapter 34 allowances, is that——

Chairman Cranston. Yes.

Mr. McMichael. Well, I think that is a productive approach.

One of the things that we have been particularly concerned about with the number of disabled veterans who are training under chapter 34 is that it makes them ineligible for the targeted tax credit.

Under the approach that you would offer, they would then, automatically, be entitled to the tax credit in seeking employment.

So, it would certainly have the advantage of that approach.

Chairman Cranston. The GAO felt there was more accountability in our approach.

Mr. McMichael. As a general proposition, I think the more accountability we have with respect to the services that we provide our disabled veterans, the better off we all are.

When we know we are accountable, I think that puts us on all our toes to do a better job.

Chairman Cranston. Would you, for the record, please review the various types of services and assistance authorized by new section 1504 and indicate those you believe should be made available under section 1508(f) to those who would elect to receive a chapter 34 allowance?

Mr. McMichael. Yes, sir.

[Subsequently, the Veterans' Administration submitted the following information:]

We recommend that veterans who elect eductional assistance be eligible for the following services under new section 1504:

1. Evaluation of the potential for rehabilitation of a veteran, including diagnostic and related services; (a) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (b) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate.

2. Educational, vocational, psychological, and personal adjustment counseling.

8. Placement services to effect suitable placement in employment, and postplacement services to attempt to assure satisfactory adjustment in employment.
9. Treatment, care, and services described in chapter 17 of title 38.
10. Prosthetic appliances, eyeglasses, and other corrective and assistive devices.
11. Services to the veteran's family as necessary to the veteran's rehabilitation.
12. For the most severely disabled veterans requiring homebound training or self-employment or both homebound training and self-employment, such licensing fees, essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the provision of such fees, equipment, supplies, and books.
13. Travel and incidental expenses, under the terms and conditions set forth in section 111 of this title, plus in the case of a veteran who, because of such veteran's disability, has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage.
14. Special services related to blindness and deafness such as: (a) language training, speech and voice correction, training in ambulation, and one-hand typewriting; (b) orientation, adjustment, mobility, reader, interpreter, and related services; and (c) telecommunications, sensory, and other technical aids and devices.

Chairman CRANSTON. Do you have any specific changes that you would recommend in the design of the pilot program of independent living services and assistance provided for in the amendment?

Mr. McMICHAEL. Again, we would like the opportunity to review that somewhat more in depth and supply that for the record, sir.

[Subsequently, the Veterans' Administration submitted the following information:]

We believe that VA counseling and rehabilitation staff should have the same flexibility in developing individual programs to achieve maximum independence and arranging for services needed to carry out such programs as is now provided such staff under section 1510, title 38, United States Code, for carrying out vocational rehabilitation programs as proposed in S. 1188 in section 1514, rehabilitation resources.

In the absence of such change, VA would be precluded from using outstanding programs for independent living such as the programs of the Blind Rehabilitation Center or programs which combine VA and community services. For example, a spinal cord injured veteran could be provided training in activities of daily living through VA spinal cord injury centers, driver training through VA programs, individual counseling, and family services to be followed by a period in an independent living center in the community to promote social and community adjustment.

Use of resources in this manner is consistent with the objective of jointly developing an individual written program which will provide for services needed and also consistent with general practice. As noted by Frieden,[1] "services may be either delivered directly by an independent living program or indirectly by referral to other service providers. The latter method is used mostly by programs which aim to coordinate existing services in the community. Many programs use a combination of service delivery methods."

A close working relationship with the State-Federal program, under which a network of independent living centers and other facilities has been established, is an integral part of our approach to providing services needed for maximum independence. The basis for such cooperation and coordination already exists in the VA-RSA agreement. That agreement provides "in the event that either the Rehabilitation Services Administration, in cooperation with the State vocational rehabilitation agency, has facilities which are needed by the Veterans' Administration for eligible disabled veterans or eligible disabled dependents, such services will be provided the Veterans' Administration subject to determination by the State vocational rehabilitation agency that such usage is permissible under governing laws and will not result in impairment of its program. Where reimbursement is required such reimbursement will be on a cost basis."

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[1] Frieden, Lex, "Independent Living: Movement and Programs," *American Rehabilitation*, July-August, 1978, Vol. 2, No. 6.

Chairman **Cranston**. All right. If you would indicate, also, whether you see the need to authorize the VA to enter into contracts with for-profit agencies to carry out that program?

Mr. **McMichael**. Yes, sir.

[Subsequently, the Veterans' Administration submitted the following information:]

We did not seek authority to enter into agreements with for-profit agencies. However, having such authority might be useful.

Chairman **Cranston**. With respect to the authority for rehabilitation research and special projects in new section 1519 in the amendment, would it be appropriate to add NASA to the organizations with which the VA should cooperate regarding matters of mutual programmatic concern?

Mr. **McMichael**. I think it might. As you know, that was a matter of deep and abiding concern to former Chairman Teague who saw NASA as providing much in the way of technology that was available for disabled veterans.

Chairman **Cranston**. I would like to address the data that the VA submitted on February 27 to the committee showing the breakdown of applicants to the vocational rehabilitation program under chapter 31 according to whether they were found eligible or ineligible for the program.

It indicated that during the first quarter of fiscal year 1980, of a total number of 4,607 applicants, 23 percent were unable to establish a need for rehabilitation and were declared ineligible.

The breakdown of reasons for ineligibility were as follows: 17½ percent with no limitations; 55 percent who were employed or were employable; and 27 percent whose termination date had passed.

Were there significant regional differences regarding the data?

Dr. **Lemons**. Yes, Mr. Chairman. There is wide variability by station. I don't have a regional breakdown.

Chairman **Cranston**. Could you give us that for the record?

Dr. **Lemons**. Yes, sir.

[Subsequently, the Veterans' Administration submitted the following information:]

In regard to regional differences our analysis indicates disparity between the Eastern and the other two regions (Central and Western) in the proportion of veterans found not in need. Twenty-nine percent of certificate actions in the Eastern region were "no need" actions, while approximately twenty percent of both Western and Central actions were cases in which need was not found.

The pattern of findings in each region is very similar, despite variability among the stations themselves. The major reason for finding that need was not established was that, despite the limitations of their disabilities, some veterans were employed or employable in suitable occupations. Approximately half of all "no need actions" in each region were for this reason. Seventeen to nineteen percent of cases were found "not in need" because the veteran's disability did not result in a handicap. The balance were not eligible because their termination dates had passed, and conditions for extension of eligibility beyond the basic termination date were not met. Table I, Report on Chapter 31 Counseling Dispositions, provides additional data on stations in each region.

Chairman **Cranston**. Would you explain the differences between the two categories of no-limitations and employed or employable?

Dr. **Lemons**. Yes, sir. The category of no-limitations is that the service-connected disability, when properly and fully evaluated in the process of counseling, did not serve to present a handicap to the service-connected veteran.

In regard to the employed or employable category, there was a determination made following counseling that either the individual was currently employed in a suitable occupation or was in the possession of the necessary training and experience to compete on a competitive basis for employment.

Chairman **Cranston**. In what ways did you take into consideration, in making these determinations, the question of whether the veteran is engaged in suitable employment or underemployment?

Dr. **Lemons**. In regard to suitability of employment, there is an analysis of the nature of the occupation, the type of background and experience necessary to compete in the occupation counterposed against the veteran's service-connected disability and whether or not the disability, itself, or potential progression of the disability would serve to preclude his being able to continue in this occupation.

Chairman **Cranston**. What about the underemployment aspect of this?

Dr. **Lemons**. Well, there is an assessment of aptitudes, interests, and abilities and the capabilities of the individual which are also taken into consideration as well as the disability itself.

Chairman **Cranston**. The GAO found, in its sample survey, that only 9 percent were rejected for apparently comparable reasons. Would you please comment on this, for the record, on the disparity between your findings and the GAO's in this regard, just for the record?

Mr. **McMichael**. We will do that, for the record. I think it may have to do with their limited sample size, Mr. Chairman.

[Subsequently, the Veterans' Administration submitted the following information:]

The reasons for differences between the VA and GAO findings regarding "no need determinations" are to be found in the scope of data included in each report and the limited sample used by GAO. There are three major reasons for which Certificate A, Need for Vocational Rehabilitation Not Established (see item 10, VA Form 22-1902a), may be issued. The reasons are:

1. The veteran's service-connected disability does not cause any limitation on employability.
2. The veteran is employed or employable in a suitable occupation.
3. The veteran's termination date has passed and he does not qualify for an extension.

The VA report included data for all three reasons, while the GAO did not include ineligibility findings because the termination date had passed. The VA found that need was not established in 23 percent of the total cases. When data for ineligibility because the termination date has passed is excluded, the rate of "no need" determination is 16.7 percent compared to 9 percent in the GAO findings.

Of the 16.7 percent, 4 percent were found not in need because their disability did not result in limitations on employability, and 12.7 percent because they were employed or employable in a suitable occupation. GAO found 5 percent not in need in the first category, about the same as in the VA report (see Table II, Certificate A, Findings in VA and GAO Studies). However, GAO found only 4 percent of veterans were not in need in the second category, compared to 12.7 percent in the VA report, a finding three times that of GAO. In our discussion of findings in geographic regions, it was noted that half of all "no need" determinations were due to the veterans' suitable employment or employability despite the limitations of their disabilities.

In order to more precisely determine the reason for discrepancies, the VA performed a further analysis to compare date for the three stations in the GAO sample with VA data for the same stations. The VA finding of "no need" determinations for the stations in the sample was 12.2 percent. These stations had a 27 percent lower rate of "no need" findings than the nation as a whole in the VA study (see Table III, Failure to Find Need in Three-Station Sample).

In view of these findings we must conclude that the stations whose cases were used for sampling do not now, and apparently did not at the time of the study, constitute a representative sample of chapter 31 cases.

TABLE I.—REPORT ON CHAPTER 31 COUNSELING DISPOSITIONS—FIRST QUARTER OF FISCAL YEAR 1980

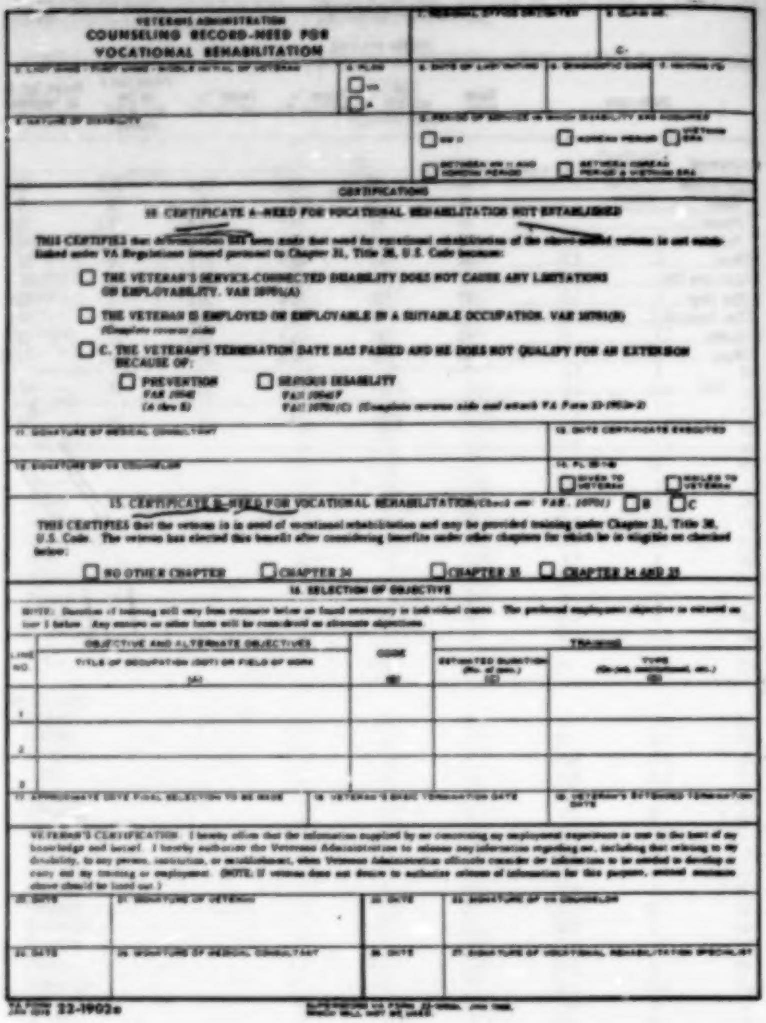
[Analysis worksheet]

Station name	Station number	Total certificate actions (A&B)	Percent "in need" (Cert. B)	Percent "no need" (Cert. A)	Percent Cert A for "no limit" of S/C disability	Percent Cert. A for "employed or employable"
Eastern region:						
Atlanta	16	149	65.1	34.9	0	78.8
Baltimore	13	30	40	60	5.5	55.6
Boston	01	70	84.3	15.7	0	81.8
Buffalo	07	98	73.5	26.5	19.2	73
Columbia	19	93	86	14	7.7	84.6
Hartford	08	54	92.6	7.4	0	50
Huntington	15	38	94.7	5.3	0	50
Manchester	73	75	90.7	9.3	14.3	28.6
Newark	09	80	82.5	17.5	7.1	71.4
New York	06	123	57.7	42.2	44.2	21.1
Philadelphia	10	157	62.4	37.6	11.9	44
Pittsburgh	11	50	90	10	20	40
Providence	04	52	40.4	59.6	9.7	58
Roanoke	14	108	56.5	43.5	10.6	68
San Juan	55	56	76.8	23.2	15.4	76.9
St. Petersburg	17	163	50.3	49.7	44.4	43.2
Togus	02	32	93.7	6.3	0	50
Washington	72	148	79.8	20.2	23.3	66.7
White River Junction	05	15	100	0	0	0
Wilmington	60	15	66.7	33.3	0	60
Winston-Salem	18	62	79	21	15.1	38.5
Total		1,668	71	29	19.6	52.6
Central region:						
Chicago	28	111	91	9	0	60
Cleveland	25	209	80	20	38.1	26.2
Des Moines	33	49	61.2	38.8	10.5	78.9
Detroit	29	166	83.1	16.9	21.4	71.9
Fargo	37	32	81.2	18.8	0	100
Indianapolis	26	104	90.3	9.7	30	30
Jackson	23	43	62.8	37.2	12.5	81.7
Lincoln	34	52	53.9	46.1	0	8.3
Little Rock	50	120	80.8	19.2	43.5	21.7
Louisville	27	33	72.7	27.3	0	77.8
Milwaukee	30	69	66.7	33.3	21.7	52.2
Montgomery	22	203	83.7	16.3	3	84.8
Muskogee	51	97	84.5	15.5	0	73.3
Nashville	20	58	82.8	17.2	0	80
New Orleans	21	60	75	25	13.3	73.3
Sioux Falls	38	35	97.1	2.9	0	0
St. Louis	31	50	78	22	18.1	9
St. Paul	35	128	82.8	17.2	31.8	31.8
Wichita	52	43	74.4	25.6	0	72.7
Total		1,662	80.3	19.7	17.1	50
Western region:						
Albuquerque	40	46	78.3	21.7	0	70
Boise	47	22	95.4	9.6	0	0
Cheyenne	42	8	62.5	37.5	33.3	0
Denver	39	131	93.1	6.9	33.3	55.6
Ft. Harison	36	19	89.4	10.6	0	100
Honolulu	59	35	71.4	28.6	10	40
Houston	62	89	82.0	18.0	25	56.2

TABLE I.—REPORT ON CHAPTER 31 COUNSELING DISPOSITIONS—FIRST QUARTER OF FISCAL YEAR 1980—Continued

[Analysis worksheet]

Station name	Station number	Total certificate actions (A&B)	Percent "in need" (Cert. B)	Percent "no need" (Cert. A)	Percent Cert A for "no limit" of S/C disability	Percent Cert. A for "employed or employable"
Ankorage	63					
Los Angeles	44	78	75.6	24.4	26.3	63.2
Manila	58	5	100	0	0	0
Phoenix	45	93	74.1	25.9	8.3	58.3
Portland	48	102	93.1	6.9	22.6	42.9
Reno	54	45	88.9	11.1	20	80
Salt Lake City	41	51	98	12	0	100
San Diego	77	106	60.4	39.6	0	83.3
San Francisco	43	77	85.7	14.3	0	54.6
Seattle	46	81	76.5	23.5	21	68.4
Waco	49	289	75.8	24.2	17.1	71.43
Total		1,277	80.5	19.5	14	66.3
Grand total		4,607	77	23	17.5	55.1



VETERANS ADMINISTRATION

COUNSELING RECORD–NEED FOR VOCATIONAL REHABILITATION

1. REGIONAL OFFICE ORIGINATING			2. CLAIM NO. C-	
3. LAST NAME - FIRST NAME - MIDDLE INITIAL OF VETERAN	4. [illegible] ☐ [illegible] ☐ A	5. DATE OF LAST RATING	6. DIAGNOSTIC CODE	7. RATING (%)
8. NATURE OF DISABILITY		9. PERIOD OF SERVICE IN WHICH DISABILITY WAS INCURRED ☐ WW II ☐ KOREAN PERIOD ☐ VIETNAM ERA ☐ BETWEEN WW II AND KOREAN PERIOD ☐ BETWEEN KOREAN PERIOD & VIETNAM ERA		

CERTIFICATIONS

10. CERTIFICATE A–NEED FOR VOCATIONAL REHABILITATION NOT ESTABLISHED

THIS CERTIFIES that determination has been made that need for vocational rehabilitation of the above-named veteran is not established under VA Regulations issued pursuant to Chapter 31, Title 38, U.S. Code because:

☐ THE VETERAN'S SERVICE-CONNECTED DISABILITY DOES NOT CAUSE ANY LIMITATIONS ON EMPLOYABILITY. VAR 10701(A)

☐ THE VETERAN IS EMPLOYED OR EMPLOYABLE IN A SUITABLE OCCUPATION. VAR 10701(B)
(Complete reverse side)

☐ C. THE VETERAN'S TERMINATION DATE HAS PASSED AND HE DOES NOT QUALIFY FOR AN EXTENSION BECAUSE OF:

☐ PREVENTION
VAR 1094E
(A thru E)

☐ SERIOUS DISABILITY
VAR 1094F
VAR 10701(C) *(Complete reverse side and attach VA Form 22-1902a-2)*

11. SIGNATURE OF MEDICAL CONSULTANT	12. DATE CERTIFICATE EXECUTED
13. SIGNATURE OF VA COUNSELOR	14. PL 89-[illegible] ☐ GIVEN TO VETERAN ☐ MAILED TO VETERAN

15. CERTIFICATE B–NEED FOR VOCATIONAL REHABILITATION (Check one: VAR 10701) ☐ B ☐ C

THIS CERTIFIES that the veteran is in need of vocational rehabilitation and may be provided training under Chapter 31, Title 38, U.S. Code. The veteran has elected this benefit after considering benefits under other chapters for which he is eligible as checked below:

☐ NO OTHER CHAPTER ☐ CHAPTER 34 ☐ CHAPTER 35 ☐ CHAPTER 34 AND 35

16. SELECTION OF OBJECTIVE

NOTE: Duration of training will vary from estimate below as found necessary in individual cases. The preferred employment objective is entered on line 1 below. Any entries on other lines will be considered as alternate objectives.

LINE NO.	OBJECTIVE AND ALTERNATE OBJECTIVES TITLE OF OCCUPATION (DOT) OR FIELD OF WORK (A)	CODE (B)	TRAINING ESTIMATED DURATION (No. of mos.) (C)	TRAINING TYPE (School, apprenticeship, etc.) (D)
1				
2				
3				

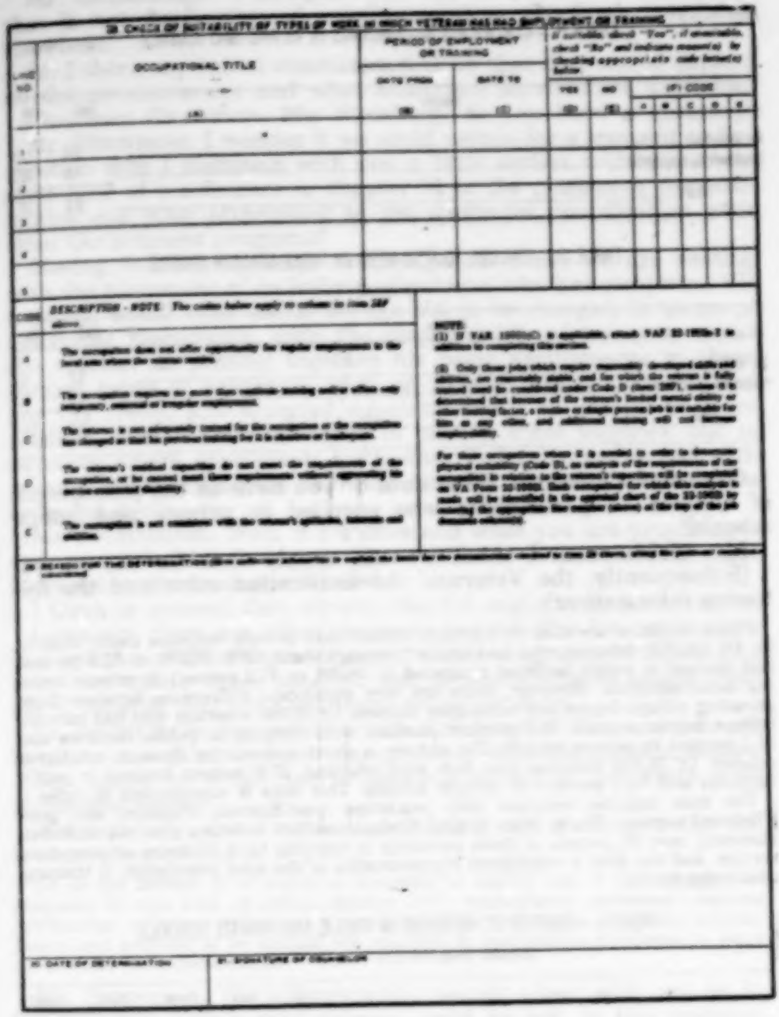
17. APPROXIMATE DATE FINAL SELECTION TO BE MADE	18. VETERAN'S BASIC TERMINATION DATE	19. VETERAN'S EXTENDED TERMINATION DATE

VETERAN'S CERTIFICATION: I hereby affirm that the information supplied by me concerning my employment experience is true to the best of my knowledge and belief. I hereby authorize the Veterans Administration to release any information regarding me, including that relating to my disability, to any person, institution, or establishment, when Veterans Administration officials consider the information to be needed to develop or carry out my training or employment. (NOTE: If veteran does not desire to authorize release of information for this purpose, second sentence above should be lined out.)

20. DATE	21. SIGNATURE OF VETERAN	22. DATE	23. SIGNATURE OF VA COUNSELOR
24. DATE	25. SIGNATURE OF MEDICAL CONSULTANT	26. DATE	27. SIGNATURE OF VOCATIONAL REHABILITATION SPECIALIST

VA FORM 22-1902a
JAN [illegible]

SUPERSEDES VA FORM 22-1902a, [illegible] WHICH WILL NOT BE USED.



28. CHECK OF SUITABILITY OF TYPES OF WORK IN WHICH VETERAN HAS HAD EMPLOYMENT OR TRAINING

LINE NO.	OCCUPATIONAL TITLE (A)	PERIOD OF EMPLOYMENT OR TRAINING		If suitable, check "Yes"; if unsuitable, check "No" and indicate reason(s) by checking appropriate code letter(s) below.						
		DATE FROM (B)	DATE TO (C)	YES (D)	NO (E)	(F) CODE				
						A	B	C	D	E
1										
2										
3										
4										
5										

CODE	*DESCRIPTION - NOTE: The codes below apply to column in item 28F above*
A	The occupation does not offer opportunity for regular employment in the local area where the veteran resides.
B	The occupation requires no more than moderate training and/or offers only temporary, seasonal or irregular employment.
C	The veteran is not adequately trained for the occupation or the occupation has changed so that his previous training for it is obsolete or inadequate.
D	The veteran's residual capacities do not meet the requirements of the occupation, or he cannot meet these requirements without aggravating his service-connected disability.
E	The occupation is not consistent with the veteran's aptitudes, interests and abilities.

NOTE:
(1) If VAR 1055(C) is applicable, attach VAF 22-1902d-2 in addition to completing this section.

(2) Only those jobs which require reasonably developed skills and abilities, are reasonably stable, and for which the veteran is fully trained need be considered under Code D (item 28F), unless it is determined that because of the veteran's limited mental ability or other limiting factors, a routine or simple process job is as suitable for him as any other, and additional training will not increase employability.

For those occupations where it is needed in order to determine physical suitability (Code D), an analysis of the requirements of the occupation in relation to the veteran's capacities will be completed on VA Form 22-1902i. Each occupation for which this analysis is made will be identified in the appended chart of the 22-1902i by entering the appropriate line number (above) at the top of the job demands column(s).

29. REASON FOR THE DETERMINATION (Give sufficient information to explain the basis for the determination checked in item 28 above, citing the pertinent conditions considered)

30. DATE OF DETERMINATION	31. SIGNATURE OF COUNSELOR

TABLE II.—CERTIFICATE A—FINDINGS IN VA AND GAO STUDIES

[In percent]

Reason	GAO	VA
No limitations	5.0	4.0
Employed or employable	4.0	12.7
Total	9.0	16.7

TABLE III.—FAILURE TO FIND NEED IN THREE-STATION SAMPLE

[In percent]

Reason	GAO	VA
No limitations	5.0	5.7
Employed or employable	4.0	6.5
Total	9.0	12.2

Chairman CRANSTON. What data do you have on the percentages of chapter 31 participants who enrolled in private and public schools?

Mr. McMICHAEL. I think we can supply that for the record.

[Subsequently, the Veterans' Administration submitted the following information:]

Public facilities are used to a greater extent than private facilities under chapter 31. Of 123,000 veterans who had trained through June 1979, 65,000 or 52.8 percent had trained in public facilities compared to 58,000 or 47.2 percent in private training establishments. However, there are very significant differences between those pursuing college degree and nondegree courses. Of 76,000 veterans who had pursued college degree courses, 68.9 percent pursued such training in public facilities and 31.1 percent in private schools. The picture is about reversed for those in nondegree courses. Of 38,300 veterans who took such training, 27.9 percent trained in public facilities and 72.1 percent in private schools. This data is summarized in table I.

The data includes veterans with peacetime (post-Korean, Vietnam, and post-Vietnam) service. World War II and Korean conflict veterans are not included. However, over 90 percent of those currently in training have Vietnam or peacetime service, and the data is considered representative of the total population in training under chapter 31.

TABLE I.—CHAPTER 31 VETERANS IN PUBLIC AND PRIVATE SCHOOLS

[Cumulative through June 1979—Public Law 87–815]

	Total	Public	Percent	Private	Percent
Total	123,000	65,000	52.8	58,000	47.2
Institution of higher learning	76,300	52,600	68.9	23,700	31.1
Non-college degree	38,300	10,700	27.9	27,600	72.1
On-the-job training	5,800	630	10.9	5,170	89.1

Chairman CRANSTON. What is your view regarding the PVA recommendation on page 15 of their testimony, that an individual within each VA regional office be assigned the responsibility of recruiting employers who would initiate efforts to provide job opportunities for disabled veterans?

Mr. McMichael. Well, again, we want to proceed in a manner that is not duplicative of existing services which are available elsewhere.

So, I think my initial reaction would be that that would depend on the circumstances and what additional services are available.

Chairman Cranston. Mr. Steinberg, do you have a question?

Mr. Steinberg. I wonder if we could return for a moment to the question that I discussed with you a little earlier with respect to some kind of a reference in chapter 31 to the placement responsibilities and your attempting to get maximum coordination with other Government programs?

Moving from the general to the specific when we are dealing with the placement of an individual veteran who has completed VR training, would it be useful for the VA to be charged, in terms of individual placements, with the responsibility of trying to assist the veteran in putting together his basic entitlements to these various types of programs, such as 10-point preference, targeted jobs tax credit, and accepted appointments if 30 percent or more disabled, and to not only assist in putting them together, but to advocate, where appropriate, with other Federal agencies and with private sector employers that the benefits of those programs be extended, too?

Mr. McMichael. Well, if I understand what you are proposing—and, again, I think it is sometimes difficult without seeing exact language to comment specifically.

I think in general that, clearly, the VA ought to be an advocate.

Certainly, there are other programs around. The VA ought to be in a position of directing veterans to those programs, of advocating that they utilize those benefits, and of attempting to secure their use of benefits that are specifically set up for them.

So, I don't have any problem with the thrust of this, and I do not think we are going to have any problem with the specific charge.

But, again, we would like to review it closely so that there is no misunderstanding.

[Subsequently, the Veterans' Administration submitted the following information:]

We do not believe it is useful or desirable to specify use of various types of programs in this kind of detail. Section 1517, employment assistance, requires coordination with and utilization of applicable resources in the placement process. Means and methods to be utilized are specified in instructions developed to carry out law and recommendations.

Mr. Steinberg. We will certainly consult closer with you on it, but that was such a good answer, could we ask, in this instance, that you not expand upon that?

Finally, probably the major thrust of the GAO report, in terms of management problems, is their feeling that your data system in terms of the chapter 31 program is very seriously deficient and that that contributes demonstrably to the lack of a central management system and, particularly, a lack of accountability within the program.

Do you have any general comments on that observation? Do you generally concur with the GAO's findings, and what would you propose, if you do concur, to improve the situation?

Mr. McMichael. Only as a general matter I guess I am sort of an information junkie. I never feel we have enough information and data in evaluating programs. That is just a general principle.

On the other hand, we have spent a great deal of time, it seems to me, collecting all kinds of data which often do not seem to be particularly productive in how we want to run our program.

So, the question is: What data are you seeking and is the information going to be helpful to you in evaluating a program?

If we can figure out exactly what the information is that we want and need, then I think we could focus our resources appropriately.

What happens so often is that we collect a lot of information, and suddenly, someone will ask a question from a different perspective, and we realize that the data base simply does not permit us to answer that question. So, we attempt to seek that additional information without, at the same time, reevaluating whether we are presently getting information we simply do not make any use of.

So, as a general proposition, I think we do need more information, but it is a question of attempting to identify what is valuable and relevant information and what seems to be surplusage.

Mr. Steinberg. Well, we also have to identify, it seems to us, what purposes we are going to use the information for. Are we using it for evaluation purposes? Are we using it for accountability purposes to determine, in an individual instance, whether a counselor or, hopefully, case manager is doing the job that the law and the regulations intend?

And it is in this area, I think, that the GAO particularly felt that there was a need for improvement.

Mr. McMichael. Well, certainly, anything that enhances program accountability, I think, is good. The problem is that, for every system that is devised to test program accountability, someone can devise a system to beat the system.

I have noticed, in terms of trying to measure workloads in the various district counsel offices, for example, that some three-man offices are apparently producing as much as eight- and ten-man offices. I know they are not actually doing that. They have found some way to beat the system in terms of how they are reporting what they are doing.

So, we are all in favor of program accountability. The difficulty is trying to establish a system that, in fact, does fairly measure and provide an accurate level of accountability.

Mr. Steinberg. I think that is what everyone is interested in achieving, and those comments are certainly most appropriate.

I wonder if it would be reasonable to ask if you would be willing for the program people, with the appropriate monitoring from your office, to sit down with the GAO people who made these determinations and recommendations and see if you could agree generally on the parameters of the types of data that would be useful to achieve this accountability.

I wonder if it would be appropriate for us to ask you to do that and to report back to us within, let us say, 90 days as to where you stand on that.

Mr. McMichael. We would be pleased to sit down with GAO on that. Just so we do not get too optimistic here, however, I remember the last time I tried to sit down with GAO and develop a bed-sizing model, it took us 3½ years. So, sometimes, these things do not go quite as quickly as we want.

But what we can accomplish in the 90 days we would certainly——

Mr. Steinberg. That was very much in my mind as I asked it and said the 90 days, to at least start moving forward. On the other hand, this may be less difficult than that and, at least, in that area, you did reach agreement and there now is an agreed methodology.

So, hopefully, we can get a little more speed and replicate the result. That is all I have.

Chairman Cranston. That is all I have, also. I want to thank you, Guy, for, as always, being extremely succinct and direct and helpful in your responses.

Thank you very much.

Mr. McMichael. Thank you, Mr. Chairman.

[The prepared statement of Guy H. McMichael III follows:]

Prepared

STATEMENT OF GUY H. McMICHAEL III

GENERAL COUNSEL

VETERANS ADMINISTRATION

BEFORE

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES SENATE

February 28, 1980

Dear Mr. Chairman:

I am pleased to appear before you today to report on our continuing work in an area of great importance within today's Veterans Administration--the field of rehabilitation.

My presentation today will include our views on S. 1188, the "Disabled Veterans Rehabilitation Act of 1979" which was proposed by the VA in May of 1979 and which you, Mr. Chairman, introduced at our request. I will also provide an overview of recent efforts by the VA to reassess our rehabilitation programs. The discussion will also cover recent studies the VA has made in this area, and will cite program improvements we have initiated to assure an effective ongoing VA rehabilitation program.

OVERVIEW

War once ended leaves a trail of destruction and disruption which affects the lives of many. No single group is more seriously affected than those individuals who are wounded or disabled in the service of their country. The disabling effects of wartime service have varying manifestations and varying degrees of disablement, but in all cases the individuals require our utmost efforts to enable them to fully reenter civilian society. This is a duty which deserves our best just as the veteran gave his or her best on the battlefield for us.

Rehabilitation of disabled veterans has long been an important role of the Veterans Administration. Indeed, during and immediately following World War II, the VA became the world leader in the field of rehabilitation. The high priority for helping disabled veterans of that conflict fully to reenter civilian life was demonstrated by the Federal Government through the establishment of strong medical and vocational rehabilitation programs within the VA for the service-disabled veteran.

We know that of the 9 million veterans who served in the military during the Vietnam era, 540,000 are currently in receipt of disability compensation. From this comparatively large number of veterans who may be eligible for chapter 31 vocational rehabilitation training, VEVs have used the chapter 31 benefits at a cost of approximately $740 million. At the end of the month of January 1980, a total of 111,512 VEVs have been enrolled under the program and at the end of that month there were currently 13,448 VEVs in training (VEVs comprise approximately 90 percent of all current chapter 31 enrollees).

Mr. Chairman, we find vocational rehabilitation trainees in a variety of programs. They are pursuing college and graduate degrees at institutions of higher learning; they are in vocational schools; and they are learning trades in on-the-job training programs. A very small number are attending elementary school or getting their high school diplomas. A few are engaged in institutional/on-farm training and some, who are severely handicapped, are involved in homebound training.

As in any major field of human endeavor, the science and the concepts of rehabilitating disabled veterans are constantly growing, changing, and adapting to new discoveries. Our Administrator, himself deeply affected by his military service, recognized the need for a reevaluation by the VA of the entire scope of rehabilitation of service-disabled veterans. Need for major updating and modernization of this program was also recognized by the President in his "Presidential Review Memorandum on Vietnam Veterans" submitted to Congress in October of 1978. To that end much has been done, with the assistance and encouragement of Congress, to review our programs and needs.

Pub. L. No. 95-202 provided for an internal study of the vocational rehabilitation efforts of the VA under chapter 31 of title 38, United States Code. That study, "A Study of the Provisions For Veterans Vocational Rehabilitation" (Senate Committee Print No. 26, 95th Congress), was previously submitted to your Committee. In addition our Office of Planning and Program Evaluation conducted an in-depth study of the totality of rehabilitation efforts of the VA as they are perceived by the veterans interviewed. A summary of this study entitled, "Vocational Rehabilitation--A Program Evaluation" was also submitted to your Committee (Senate Committee Print No. 15, 96th Congress). Recently the General Accounting Office conducted a limited study of the degree to which our programs are meeting the needs of disabled veterans. That study is "VA's Vocational Rehabilitation Program Could Be More Effective: New Legislation and Stronger Program Management Needed" (O/A #397).

"Rehabilitation" has many aspects when viewed in the context of assisting the disabled veteran. Analysis of the studies I just mentioned demonstrates to us that perhaps our efforts, while suitable for the times, are now too narrow and too heavily oriented toward "vocational training." Certainly vocational training is a very important part of rehabilitation, but modern rehabilitative procedures go far beyond this one area. We believe that the VA's programs need also to be expanded accordingly. Before I discuss the expanded concept we have implemented for rehabilitation in the VA, I first want to discuss the more traditional VA vocational rehabilitation programs and the changes in them which we believe are needed.

When we speak about "vocational rehabilitation," we are referring to services and assistance furnished to service-disabled veterans under chapter 31. The purpose of this program, as stated in the present law, is to restore the veteran's employability--employability that was lost because of a handicap resulting from a service-connected disability. To restore employability, the VA offers service-disabled veterans a number of services, specified in the law. These services include the training needed to enable the veteran to qualify for employment and, as part of this training, we provide educational and vocational counseling and tutorial assistance as well as other necessary incidental services. An example of these latter services is reader service for blinded veterans. In addition to the training opportunities afforded veterans, the VA provides medical care, treatment, hospitalization, and prosthesis as found necessary to accomplish vocational rehabilitation.

VOCATIONAL TRAINING

Mr. Chairman, our review of the vocational training portion of our rehabilitation efforts leads us to conclude that these efforts are being thwarted in part by limitations inherent in the existing legal authority accorded the VA. It was with those problems in mind that we drafted our proposal for legislative change introduced by you on our behalf as S. 1188. We believe that the provisions of that bill would correct many of these problems. Others may be correctable through administrative action on our part. At this time I wish to highlight the problems and our proposed legislative and administrative solutions.

The first of these areas of concern has to do with the basic scope of vocational rehabilitation training services to be provided by the VA.

Current section 1501 of title 38 states the purpose of vocational rehabilitation as follows: The purpose of vocational rehabilitation is to restore employability lost by virtue of handicap due to a service-connected disability(ies).

We strongly believe that the purpose of vocational rehabilitation under chapter 31 should encompass not only the achievement of employability, but also entry into and adjustment in suitable employment, including self-employment, where appropriate. Such revision as provided in S. 1188 would be consistent with the generally accepted goal and criterion of vocational rehabilitation. It would also be consistent with current practice under which the rehabilitation agency is seen as the most effective agent for carrying the process of vocational rehabilitation to its completion. Under current law, the Administrator may cooperate with the State Employment Security Agency and other agencies for the purpose of placing "rehabilitated" veterans in employment. While we would continue to utilize these services in appropriate circumstances, the broadened authority of providing employment assistance found in section 1516 of S. 1188 would enable the VA to provide direct placement services as well as utilize the placement services of the Veterans Employment Service of the Department of Labor, RSA, State employment services, and any other public or nonprofit organization having placement services available.

The second major area of concern as to the scope of rehabilitation relates to the fact that eligibility for vocational rehabilitation under chapter 31 is time limited except for seriously disabled veterans. We recommend that time limits on eligibility be eliminated for all service-disabled veterans who are otherwise eligible for, and in need of, vocational rehabilitation on account of service-connected disability. This would allow for provision at any time of needed services to disabled veterans not previously rehabilitated and the provision of supplementary services to rehabilitated veterans when such services are needed to maintain employment.

As a result of the present time limits on eligibility for vocational rehabilitation, certain service-disabled veterans are denied VA benefits, despite the fact that they meet all other criteria of eligibility and need. For example, a veteran with a less severe disability may forego chapter 31 training during the normal 9-year time period (extendable to 13 years in some cases). In later life the disability may pose greater problems to his or her handicap, but the veteran no longer qualifies for our assistance, the time limit having expired in his or her case. As the years pass, this is true for an increasing number of veterans who otherwise meet the conditions for extension but whose extended termination date, as well as basic termination date, has passed.

There is also a second major question as to whether the concept of limited time eligibility is validly applicable in the case of a service such as vocational rehabilitation, or whether the very nature of the service is such that it should be provided at any time that it is needed on account of continuing service-connected disability and where that veteran can profit from it.

The elimination of termination dates for veterans vocational rehabilitation, as provided in our proposal, S. 1188, would also have the advantage of greatly simplifying the administrative procedures required to determine eligibility. The complexity of the present structure of eligibility periods makes the determination of eligibility in the individual case time-consuming and liable to error.

Next, Mr. Chairman, I want to bring to the attention of the Committee a phenomenon in the vocational rehabilitation program that has caused us great concern. This phenomenon is the low rate of use of on-job training in the current chapter 31 program. In fact, the current use of on-job training for rehabilitation has greatly declined when compared with earlier periods of the program. Our figures show that during the World War II program, 38 percent of all VA vocational rehabilitation trainees were in on-job training; approximately 17 percent of Korean conflict veterans pursued on-job training. These figures compare with a less than 5 percent use of on-job training under the current program.

To some extent, this change in the frequency of use of on-job training under the vocational rehabilitation program is related to broader changes in the composition of the labor force, increased educational opportunities, general employer expectations, and heightened educational aspirations. While we realize that it is unrealistic to expect that the proportion of on-job trainees could return to the World War II level, we think it is not unrealistic to aim for a greater use than now exists. There are a number of ways in which this may be accomplished under existing law through increased emphasis on the CETA-OJT and Targeted Jobs Tax Credit programs, as well as the VA apprentice-OJT programs. Consideration should be given to providing a direct financial incentive in individual instances to employer-trainers. The type of incentives we have in mind are payments to the employer who will incur extraordinary costs in adapting the work place to use by a disabled person, such as ramps, special work benches, modified machinery, etc. Because financial incentives are now available under the Targeted Jobs Tax Credit program (Pub. L. No. 95-600), the payment of additional incentives should be limited to individual cases where the Administrator determines that on-job training needed for a veteran's vocational rehabilitation would not otherwise be available.

Another concern, heavily stressed by the GAO Study, relates to the increasingly greater extent of use of GI Bill benefits, rather than vocational rehabilitation, by service-disabled veterans. Of the Vietnam era veterans with 30 percent or more disability who have taken training, 60 percent have used GI Bill benefits only. The corresponding proportion for similarly disabled World War II veterans was 40 percent. As reported by our field staff, a veteran's decision to take training under the GI Bill, instead of vocational rehabilitation, is frequently made on the basis of the fact that a higher monthly allowance is payable under chapter 34. This has become an increasingly important influence as free and low-cost educational programs have become more widely available. We believe it is a matter of concern if disabled veterans, including those with serious disabilities, are led to forego the additional benefits and services available to them under vocational rehabilitation because of a short term immediate monetary advantage.

Our legislative proposal would attempt to resolve this problem by permitting the service-disabled veteran in need of rehabilitation to train under the chapter 34 program, receive the higher educational assistance allowance, and yet receive other needed assistance and services from the VA as though he or she were training under the vocational rehabilitation program.

A number of additional measures to improve the availability and use of vocational rehabilitation training under chapter 31 have been identified. Among those which we believe to have the greatest significance are the following:

First, our proposal would change the present general limit on training time in chapter 31 from 48 months to 64 months. We believe there is need to raise the general limit on training time because of changed educational practices as to the number of semester credit hours constituting full-time study. Under current practice, 45 months, instead of 36, may be needed to complete an undergraduate program at many schools, and 18 months, instead of 12, may be needed to achieve a master's degree. Since the master's degree is needed for entry into many professional occupations, it is the level of training required for the complete restoration of employability in a number of chapter 31 cases. Thus, it is desirable to be able to provide the chapter 31 trainee with sufficient assistance to obtain both an undergraduate degree (45 months) and an advanced degree (18 months). The proposed 64 months limit would allow for achieving this level. It is pertinent to note that, under the GI Bill, the maximum training time has been extended from 36 months to 45 months.

Second, our proposal would provide that the 2-month payment of postrehabilitation subsistence allowance be at full-time rates in all cases. The purpose of this additional payment is to provide support during the period in which the veteran is seeking employment. For a veteran who has been in part-time chapter 31 training and working concurrently, the additional 2 months of part-time subsistence allowance is not likely to be sufficient to allow him or her to leave that job and devote full time toward finding suitable employment in the objective for which rehabilitation has been provided.

Third, our proposal would establish subsistence allowance for chapter 31 nonpay training in Federal Agencies at the same rates as for chapter 31 institutional training. Currently, veterans in nonpay on-job training in Federal agencies receive subsistence at the on-job training rate. We do not believe this to be equitable because veterans enrolled in regular on-job training also get a wage from the employer while the veterans enrolled in nonpay training do not receive such wages. Also, the low level of economic support available during nonpay training often deters veterans from entering such programs.

Finally, our proposal would provide for a $400 maximum loan from the vocational rehabilitation revolving loan fund. The current $200 maximum loan is frequently not enough to accomplish the purpose which it is designed to serve, namely, to help the veteran meet emergency financial needs which may jeopardize his or her ability to begin or continue in training.

EXPANDED REHABILITATION CONCEPT

Mr. Chairman, I am pleased to report that on April 9 of last year an expanded concept of rehabilitation was adopted by the Veterans Administration. I am attaching a copy as attachment "A". This concept, as approved by Administrator Max Cleland, heralds a new course in the Veterans Administration affecting all the services which comprise our rehabilitation efforts. Its purpose is to provide a "framework for the continuous development, improvement, and delivery of rehabilitation services throughout the VA." The Administrator has charged our agency to implement a comprehensive, unified process of rehabilitation that incorporates and coordinates all aspects of service delivery to the veteran.

Mr. Chairman, the Veterans Administration believes there is no more important task for our agency than the rehabilitation of service-disabled veterans. Within the statutory authority provided by Congress we intend to increase our efforts in this area significantly. To embark on this new course, the VA has already undertaken a number of steps:

With the adoption of a new concept of rehabilitation, the Administrator called a national Rehabilitation Conference last July in Washington. This conference took the findings of the many preceding reports and analyzed their recommendations. These recommendations went to the very issue of the VA role in rehabilitation, including, but even beyond, the vocational aspects. Comprised of experts from both within and outside the VA, the Conference identified more than 300 issues to be addressed by our agency.

Following the Conference, the Administrator established a Rehabilitation Task Force to bring the findings and recommendations for improvement into better focus and to develop a comprehensive long-range rehabilitation program. The charge of the Task Force was to identify, examine, consolidate, and digest the existing studies, reports, and other documents, including any recommendations addressing any aspect of the VA's rehabilitation program. It was then to formulate its own comprehensive set of recommendations.

The Task Force has provided the Administrator a preliminary report. Recommendations are now being reviewed and analyzed, but some improvements are already underway and I will discuss those later. Plans are now being developed to identify the resources needed to implement recommendations. Other long-range goals are being set and plans established to reach them.

The Task Force represents an important step in making our new concept of rehabilitation a reality in the VA. The import of the new concept of rehabilitation cannot be overstressed. Rather than focusing primarily on rehabilitation as vocational training, we will endeavor to view the individual's total needs. Many veterans are, by virtue of the severity of their disabilities, prevented from entering training, or, having trained, from actually becoming employed. Yet, these individuals have other rehabilitative needs of a medical and social nature that the VA can provide. Hopefully, given such assistance these veterans will be able to achieve the maximum independence possible, given the disabilities and problems involved.

We believe chapter 31 should be revised to include specific authority to provide all services (medical, social, psychological, vocational, and economic support) needed to enable service-disabled handicapped veterans to prepare for and engage in gainful employment or at least to reach maximum independence. Many such services have been provided for a long time by the VA without specific authority. This will enable VA to provide all services--pretraining, training and posttraining--needed from the time of identification of the handicapped service-disabled veteran to the time of rehabilitation into employment or maximum independence.

Another major area which requires expansion in order to provide this full range of rehabilitation services is to provide authority to undertake a full evaluation of the individual to determine the types of assistance needed for enhancing his or her potential for training. On the other hand, some individuals may be unable to train at all due to the severity of their disabilities. We believe that proper evaluation would also assist us in determining a program of rehabilitation for such individuals to enable them to achieve maximum independence. S. 1188 would authorize such evaluations and provide subsistence to the individual during the certified evaluation period.

To assist veterans with particular needs, many of the provisions of the bill codify existing practices regarding specialized services or expand upon them. For example, the Administrator would be granted authority to provide certain supplies to severely disabled veterans who either trained in the home or who are becoming self-employed. This assistance will enable those individuals to have the minimum aid needed for a start-up of their new employment endeavor. The bill also provides that the Veterans Administration may pay the total cost of room and board of a veteran who is in a special rehabilitation facility for special restorative training.

In addition, the subsistence allowance otherwise payable to the veteran's dependents would be authorized for their benefit.

In the area of counseling and rehabilitation plan formulation, the proposed bill is more explicit than existing law. For example, personal adjustment counseling specifically is permitted, where deemed necessary. The veteran's participation in the formulation of a vocational rehabilitation plan is stressed. A counseling and guidance phase of rehabilitation preceding actual entrance into training is provided. A subsistence allowance during that period is also permitted. The Administrator is given broader discretion in granting leaves-of-absence than was formerly the case.

Further, the bill contains various administrative provisions designed to provide the Veterans Administration with more resources for performing the tasks involved. For example, the new provisions give authority to the VA to devote resources to vocational rehabilitation staff training and development and to engage in rehabilitation research and special projects. It is hoped that by upgrading the skills of the VA staff and by developing new vocational rehabilitation approaches, the program will be of higher quality and provide more service to disabled veterans.

We believe it is amply clear that we will be unable to provide these additional services without an increase in our staff. We are, therefore, seeking approval for 55 additional employees, consisting of 45 vocational rehabilitation specialists, and 10 counseling psychologists. These individuals would be utilized in implementing the many new responsibilities which would be required under our legislation.

ADMINISTRATIVE IMPROVEMENTS

During 1979 the VA moved on many important fronts in the area of vocational rehabilitation:

First, specific policy determinations and new procedures were issued to expedite the scheduling of service-disabled veterans for counseling, the processing of training awards, and the processing of supplies and equipment on a priority basis.

Second, increased assistance in entering a career or in obtaining employment is being provided through VA Career Development Centers (CDC). This program was substantially expanded with the Chief Benefits Director's approval for installation of such centers in 34 regional offices in addition to those which had been previously approved. Three CDCs--San Diego, Washington, and Newark--are operational.

Third, the job description for the vocational rehabilitation specialist (VRS) has been revised. The duties of the VRS have been expanded to include: (a) problem-solving counseling assistance; (b) case management responsibility; and (c) Career Development Center coordination. The ability of VRSs to provide problem-solving counseling will eliminate the need to refer the veteran back to the regional office, except where the need is for full professional level counseling services.

Fourth, coordination of DVB-DM&S Rehabilitation Services. As noted earlier, the VA has developed a concept of rehabilitation which will be used as the basis for planning and policy development in vocational rehabilitation. The concept stresses the comprehensive and unitary nature of the rehabilitation process and the need for planning and integration on an intra- and inter-agency basis. Instructions have been issued (Circular 00-79-55) (attachment "B") which establish procedures for improved DVB-DM&S coordination and integration of services. Such coordination and integration involves joint planning and continuing interaction during implementation of the plan that is developed. As a mechanism for facilitating coordination, designated staff in each medical center and regional offices are being assigned rehabilitation case management functions. As noted earlier, the VRS job description has been revised to include case management responsibility.

Fifth, staff development. To insure that practices and methods utilized are in accord with modern concepts and advanced knowledge in the field of rehabilitation, a series of five Central Office directed staff training sessions were conducted in FY 1979. Approximately 475 Counseling Psychologists and Vocational Rehabilitation Specialists from VA's 57 regional offices (Manila excluded) participated in the training. The conferences focused on current techniques of evaluation, counseling, and rehabilitation of seriously disabled veterans. Presentations, made by experts in the field of rehabilitation, include orthopedic assessment, rehabilitation medicine assessment, psychological and vocational testing, neuropsychological problems of the disabled veteran, rehabilitation engineering, role of organized labor in the rehabilitation of the handicapped, and job placement and development strategies.

In addition to a general program of staff development for all staff, a special program has been established to provide supplemental training for those VRSs who need additional training to carry out the broadened responsibilities outlined in the new job description.

Sixth, a comprehensive review and reorganization of regulations governing the vocational rehabilitation program was undertaken and a draft is under agency review. The purpose of the review of regulations is to make those improvements which can be accomplished within present authority, and make it easier to understand the purpose and intent of the program. If the pending legislation is enacted by Congress, we hope to further revise and augment the regulations to ensure that program implementation accords with the new law.

In 1980, efforts will be directed toward implementation of the initiative established in 1979 and completion of additional projects. Continuing efforts will be directed toward establishing Career Development Centers on an operational basis and monitoring implementation of DVB-DM&S coordination. Several new projects are to be undertaken, such as:

(1) Study of the Work Measurement System. Study of the system of work measurement in the counseling and rehabilitation program was begun in 1979. At present the system is geared toward measuring relative productivity and effectiveness of the station and its functions, primarily related to claims processing. A major purpose of the study is to determine whether the system can be modified to reflect more accurately the present work processes and priorities and the essential services rendered. Subsequent efforts are expected to cover more comprehensive accountability measures associated with the quality of the service and the rehabilitation outcomes achieved. Such additional information could serve as a basis for improving planning and management as well as providing process and outcome measures.

(2) A comprehensive revision of current procedures in outreach, on-the-job training, and employment assistance under chapter 31 will be put into effect soon. The new procedures target those veterans in the service-disabled population with long-term employment and readjustment problems, including those with service-disabilities, neuro-psychiatric problems, minority veterans, and those with less than a high school education. The effect of the changes should be increased involvement of these veterans in rehabilitation programs and assurance that their training will result in meaningful employment.

(3) Staff Development. Three staff conferences (one in each region) will provide additional training in areas of testing and employment assistance. Other efforts involve affirmative action and individual programs to upgrade and broaden skills.

(4) Research and Development. VA is participating in a joint effort with the Postal Service and other agencies to train and place disabled veterans in newly developing positions. A pilot project has been established in Baltimore which should serve as a basis for similar efforts elsewhere.

Mr. Chairman, rehabilitation is the cornerstone of the modern Veterans Administration. It is the very essence of the readjustment services which comprise our services to veterans. The careful evaluation of the many studies of these services, the adoption of a new concept of rehabilitation in the VA, and the recent work of our Rehabilitation Conference and Task Force, attest to the progress we have made in this area and the progress which is still being made each day. Much needs to be done, however.

The legislative proposals embodied in S. 1188 represent an important step in the refinement and improvement of our services. These proposals, and the measures already taken by the VA which we have discussed today, will soon bring the finest rehabilitation possible to those who most deserve our assistance, the service-disabled veteran.

Mr. Chairman, we have not had time to analyze all the ramifications contained in the recent amendment to S. 1188 which you introduced. We will be submitting written comments on your proposal in the near future. I would note, Mr. Chairman, that your proposal provides for a 15 percent increase in subsistence allowance. We would urge that you enact the 10 percent increase provided for in the President's budget.

Mr. Chairman, that concludes my testimony. I will be pleased to answer any questions you or the Committee members may have.

Chairman **Cranston**. We now go to the Honorable Robert Humphreys, Commissioner, Rehabilitation Services Administration, Department of HEW.

Bob, we are delighted to have you here as an old and trusted friend and advisor.

TESTIMONY OF ROBERT HUMPHREYS, COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. **Humphreys**. Thank you very much, Mr. Chairman, and I want to express my deep appreciation for being invited to participate in this very important hearing and, also, to associate myself with Mr. McMichael's remarks relative to the contribution that you and Senator Stafford have made with respect to service delivery and the quality of life for disabled Americans across the country.

You certainly are to be commended for your efforts there.

Chairman **Cranston**. Thank you very much. There are few things that can match that importance.

Mr. **Humphreys**. I agree. Mr. Chairman, the Disabled Veterans' Rehabilitation Act of 1979, S. 1188, and the counterpart House bill, H.R. 5288, reflect the intention on the part of the Administration, the House and yourself to improve and update the veterans' vocational rehabilitation program.

Proposed changes in the legislation are based on the experience of the Veterans' Administration in providing services under chapter 31 and after review of the findings and recommendations of the special study mandated by the Congress in Public Law 95-202.

That law required the Administrator of the Veterans' Affairs, in consultation with the Commissioner of the Rehabilitation Services Administration, to study the existing programs and authorizing legislation.

The study, completed in 1978, compares the vocational rehabilitation services available to service-disabled veterans with those under the Rehabilitation Act of 1973, as amended.

Major veterans' service organizations also provided comments and suggestions.

The study findings and recommendations were adopted by the President in his message of October 10, 1978, to the Congress on the status of Vietnam veterans.

He said:

> Our vocational rehabilitation programs must reflect our paramount concern for those veterans who have service-connected disabilities. The current VA program is based on a 1943 model and requires major updating.
>
> I will submit legislation to the next Congress that will modernize and improve that program.

The bill recommended by the President and introduced by request by you, Mr. Chairman, is designed to broaden the scope of services to be provided to veterans with service-connected disabilities to enable them to attain maximum independence, to become employable and to obtain and maintain suitable employment.

The program also would help to meet the needs of those seriously disabled veterans who may not be able to reach employability, but who could benefit from independent living services.

In these contexts, the new program would closely parallel the State-Federal program of vocational rehabilitation.

Mr. Chairman, I defer to the Veterans' Administration and its representatives to reflect the administration's position on the proposed legislation before you.

I do wish to state, however, that in our experience, avocational rehabilitation program that is concerned with employability but does not help the veteran to enter into and adjust to employment cannot be adequate to all the needs of disabled veterans, especially those who are more severely disabled who face strong competition for jobs in the employment market.

A program without essential pretraining evaluation, employment and placement services and adjustment services is not able to meet all the significant special needs of disabled individual veterans who are seeking appropriate employment.

Based on the experience of our State-Federal program for civilians, we strongly support the administration's proposals to improve these features of the veterans' program.

I would like to speak, briefly, to the cooperation of the Veterans' Administration and the Rehabilitation Services Administration which began as early as 1944.

An interagency agreement encouraging coordination and cooperation was developed. In 1975, the two agencies reviewed their agreement, and issued a guide to assist directors of State vocational rehabilitation agencies, directors of VA regional offices, directors of

VA hospitals, domiciliaries and clinics in establishing relationships and operational plans for providing vocational rehabilitation services without duplication of effort or unnecessary expenditure of funds.

The agreement relates to areas of cooperation and referral of applicants, nonduplication of services, exchange of information, staff development, use of special facilities, job placement, and research.

I will offer, for the record, a copy of that memorandum of understanding, Mr. Chairman.

[Subsequently, the Department of Health, Education, and Welfare submitted the following memorandum:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF HUMAN DEVELOPMENT
WASHINGTON, D.C. 20201

PROGRAM INSTRUCTION
RSA-PI-76-18
January 14, 1976

TO : STATE REHABILITATION AGENCIES (GENERAL)
STATE REHABILITATION AGENCIES (BLIND)

SUBJECT: Revised Joint Statement of Principles of Cooperation Between the Veterans Administration and the Rehabilitation Services Administration

CONTENT: Attached is the revised statement of principles of cooperation between the VA and RSA which includes guidance for the establishment of renewed cooperative relationships with VA Regional Offices, hospitals and domiciliaries, and clinics. The statement is being sent to VA field stations by the Veterans Administration.

With RSA Information Memorandum 76-35, November 17, 1975, we sent a supply of the VA Fact Sheet which describes benefits for veterans and their dependents. Knowledge of the basic VA eligibility requirements is important in the day-to-day coordination of services to disabled veterans and their disabled dependents. In that memorandum, I also pointed out the emphasis I place on efforts to serve veterans and to coordinate services with the VA.

The following are some of the important features of the new statement, and remarks made by State agency reviewers:

- Your agreements and working arrangements should be with specific VA installations or regions to conform with VA jurisdictional areas.
- Liaison representatives should be appointed in each agency to develop and maintain effective collaboration.
- Referrals of disabled veterans or their disabled dependents should be arranged by communication to specific persons (by name) in each agency (rather than just providing the address of the VA or the VR office.)
- Full consideration of potential VA benefits must be made before expending VR money on a disabled veteran or his disabled dependent.
- VA will inform disabled veterans who are not eligible for VA benefits of possible help from the VR agency.

- The VA and VR will collaborate on necessary continued services beyond the veteran's VA entitlement, and the VA and VR may jointly provide complementary services in particular cases.

- The stationing of VR counselors in VA hospitals is encouraged

- Joint staff training should be conducted, and staff of "the other" agency should be invited to appropriate training activities.

I will be very much interested in any initiatives you take in following up on this National agreement. Please keep me informed through your R/O.

Andrew S. Adams
Commissioner of Rehabilitation Services

Enclosures

Copies enclosed for REDISTRIBUTION TO:
District and Local Offices

RSA/OSP

JOINT STATEMENT OF PRINCIPLES OF COOPERATION
BETWEEN
THE VETERANS ADMINISTRATION
AND
THE REHABILITATION SERVICES ADMINISTRATION, OFFICE OF HUMAN DEVELOPMENT, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

I. SCOPE AND OBJECTIVES

A. This statement applies to personnel who have responsibility for providing rehabilitation services to handicapped persons, or administering research or staff training related to such services through programs administered in accordance with Federal laws by the following governmental agencies:

1. The Rehabilitation Services Administration, Office of Human Development, Department of Health, Education and Welfare, and the State rehabilitation agencies which cooperate with that office (including commissions and other agencies for the blind).

2. The Department of Veterans Benefits, Veterans Administration, including Veterans Administration regional offices.

3. The Department of Medicine and Surgery, Veterans Administration, including Veterans Administration hospitals and clinics.

B. This statement sets forth broad basic principles which are intended to guide Directors of State vocational rehabilitation agencies, Directors of Veterans Administration regional offices, Directors of Veterans Administration hospitals and domiciliaries, and Directors of Veterans Administration clinics in establishing relationships and operational plans for providing rehabilitation services authorized by law to eligible persons on an effectively coordinated and integrated basis, without duplication of effort or unnecessary expenditure of funds. In applying these principles, personnel of either program must have knowledge and understanding of types of benefits and services provided by the other and the basic eligibility requirements for each so that prompt and appropriate referral may be made when a veteran or veteran's dependent applies at one agency for services which should be provided by the other.

II. REFERRAL OF VETERANS AND/OR DEPENDENTS

A. State vocational rehabilitation agencies will (1) advise applicants who have potential rights and benefits under the laws administered by the Veterans Administration, (Title 38, U. S. Code, Chapters 31, 34, and 35 as amended) to apply for such benefits and (2) refer these persons to the nearest Veterans Administration Office for specific information with respect to their rights and benefits under the laws administered by the Veterans Administration. The availability of VA vocational rehabilitation benefits, including needed medical services, (Chapter 31, for service connected cases) or VA educational assistance benefits (Chapter 34, GI Bill for veterans and Chapter 35 for dependents) is to be determined before providing services to disabled veterans or disabled dependents under the State-Federal Vocational Rehabilitation Program.

B. Veterans Administration personnel will provide general information and offer disabled veterans and disabled dependents referral to offices of the State vocational rehabilitation agency for services related to vocational rehabilitation when the Veterans Administration is not authorized to furnish the services needed. When the person to be referred has been provided counseling by the Veterans Administration, a summary of the counseling record shall be transmitted upon request, subject to written concurrence by the individual, to the office of the State vocational rehabilitation agency.

C. Supplemental information requested by either agency having a bearing on the vocational rehabilitation of a disabled person, shall be made available in accordance with Section IV of this statement. Such forms as may be agreed upon by the local representatives concerned may be used for this purpose.

D. Referral procedures will include provision for feedback of information regarding acceptance of the client or other actions by the receiving agency and, as appropriate, regarding case outcomes.

III. SERVICES TO VETERANS AND/OR ELIGIBLE DEPENDENTS BY MORE THAN ONE AGENCY

A. The Veterans Administration and the State rehabilitation agency will not provide duplicating or overlapping benefits. In accordance with the intent of the laws which make provision for rehabilitation services for eligible disabled veterans and handicapped dependents separate from those for other disabled persons, and in the interest of using available funds to provide needed rehabilitation services to as many disabled persons as possible, it is expected that disabled veterans and dependents who have eligibility for needed services under the laws administered by the Veterans Administration will be provided those services by the Veterans Administration, and that the State rehabilitation agencies will use their resources for providing rehabilitation benefits and services where such Veterans Administration eligibility does not exist. The Veterans Administration and the State rehabilitation agency may properly provide complementary benefits and services, subject to meeting each agency's eligibility criteria, when this is jointly determined to be necessary for the rehabilitation of the individual. The State rehabilitation agency will also provide rehabilitation services, as needed, and subject to meeting agency eligibility criteria, to disabled veterans or dependents after the expiration of their eligibility and entitlement for such services under Veterans Administration programs.

B. In any case in which it is found that a disabled person will require vocational rehabilitation services to supplement those which may be provided under laws administered by the Veterans Administration, or will require vocational rehabilitation services beyond the period of his or her eligibility for such services from the Veterans Administration, the appropriate personnel of the cooperating agencies should collaborate in the development of the overall rehabilitation plan. Collaboration should be initiated at an early stage and should be designed to assure the comprehensiveness, integration, and continuity of the services to be provided. Such collaborative planning and joint provision of service will be carried out, as needed and appropriate for service-disabled veterans, nonservice-connected disabled veterans, and disabled dependents, subject to applicable laws.

C. It is essential that close collaboration be maintained between appropriate staff in Veterans Administration hospitals and State vocational rehabilitation counselors in cases of disabled veterans for whom training and education are not available under laws administered by the Veterans Administration or who need other types of rehabilitation services authorized under the State-Federal program. When administratively feasible and where the work load warrants, the State vocational rehabilitation agencies are encouraged to assign counselors on a regular or part time basis to work with the Psychology or other appropriate Service of Veterans Administration hospitals. By this close coordination effective services can be expeditiously provided.

IV. EXCHANGE OF INFORMATION

A. It has been determined by the Administrator of Veterans Affairs that it will serve a useful purpose to furnish to the State vocational rehabilitation agencies cooperating in the State-Federal Vocational Rehabilitation Program that information from veterans files which is necessary for official purposes.

B. It has been determined by the Rehabilitation Services Administration that information concerning veterans and/or eligible dependents obtained by State vocational rehabilitation agencies in the course of their vocational rehabilitation activities may be provided to the Veterans Administration in accordance with the provisions of their respective State plans.

C. The confidential character of the information released will be maintained by the cooperating agencies and the information will be used only for the purpose for which it was made available.

D. Exchange of information will be in accordance with applicable State and Federal laws, agency regulations and policy and where appropriate, will be accompanied by the written consent of the individual.

V. PUBLICATIONS AND STAFF DEVELOPMENT

A. In order to increase understanding as to services rendered and as to the methods and techniques developed for the rehabilitation of disabled persons by either of the cooperating agencies, it will be the policy of the cooperating agencies to exchange information, releases, publications, procedural manuals and instructions of mutual interest.

B. State vocational rehabilitation agencies will inform Directors of Veterans Administration regional offices and hospitals located within the respective States regarding training or staff development programs for rehabilitation personnel which are of mutual interest and will invite the Veterans Administration to designate representatives to attend such programs, workshops, or conferences.

C. Directors of Veterans Administration regional offices and hospitals will inform the Directors of State vocational rehabilitation agencies in their respective States of similar programs, workshops, or conferences to be conducted by the Veterans Administration within the State for the purpose of staff development or improvement of counseling and other rehabilitation procedures and techniques, and will invite the State vocational rehabilitation agencies to send representatives to such conferences. Opportunities will also be provided in the Department of Medicine and Surgery hospitals and the Department of Veterans Benefits regional offices, where feasible, to students supported by Rehabilitation Services Administration programs to receive training on a "without compensation" basis, with supervision provided by the appropriate professional service.

VI. SPECIAL FACILITIES

In the event that a State vocational rehabilitation agency has facilities for providing rehabilitation services which are needed by the Veterans Administration for eligible disabled veterans or eligible disabled dependents, such services will be provided the Veterans Administration, subject to determination by the State vocational rehabilitation agency that such usage is permissible under governing laws and will not result in impairment of its program. Where reimbursement is required by law or otherwise, such reimbursement will be on a cost basis. Services in Veterans Administration facilities will be made available to State vocational rehabilitation agency clients who have eligibility for the needed services under laws administered by the VA (see Section III).

VII. RESEARCH

A. To insure maximum collaboration and coordination of all research activities concerned with the medical rehabilitation of handicapped individuals and all studies concerned with the vocational rehabilitation of such persons, it will be the policy of the Rehabilitation Services Administration and the Veterans Administration to cooperate in planning, implementing, evaluating, and disseminating the results of those research activities and studies which can be mutually supportive in achieving agency objectives.

B. The primary purpose of this cooperative endeavor will be to assure coordination and mutual assistance in order to have the most impact on the rehabilitation mission of both agencies.

C. Cooperation between the Rehabilitation Services Administration and the Veterans Administration will cover the entire range of research functions, from identification of areas needing study to the interchange and implementation of study findings. Where indicated, it may include actually sharing in the cost of funding mutually supportive research, demonstration, evaluation, utilization and other research related activities.

D. Effective methods of cooperation will be developed between the national offices of the two agencies and their operating field counterparts, as well as between the field operating organizations, in order to create systems of information exchange and coordination to promote the prompt utilisation of the results of engineering and other research and studies in solving problems in the rehabilitation of handicapped individuals.

VIII. JOB PLACEMENT AND EMPLOYER RELATIONSHIPS

Veterans Administration personnel and State Vocational Rehabilitation staff will, in collaboration with the State Employment Service, coordinate their planning for employment activities, such as free exchange of information and experience concerning employer hiring practices, employment trends and opportunities. There will be coordination among Employment Service, Veterans Administration and Vocational Rehabilitation agencies in their contact with employers in carrying out placement responsibilities, and in assisting employers to develop and maintain effective affirmative action programs (as required by the Rehabilitation Act of 1973, as amended and the Vietnam Era Veterans' Readjustment Assistance Act of 1974). Such coordination will be carried out in accordance with existing agreements between the Veterans Administration and the United States Employment Service and between the Rehabilitation Services Administration and the United States Employment Service.

IX. IMPLEMENTATION

A. The Rehabilitation Services Administration and the Veterans Administration shall take such actions as may be appropriate to carry out the policies and principles set forth herein. As conditions and needs arise, each of the above agencies will issue statements of clarification to the Veterans Administration field stations and the State vocational rehabilitation agencies concerned, such statements to be approved before release by the Rehabilitation Services Administration and the Veterans Administration.

B. The Rehabilitation Services Administration and the Veterans Administration recommend that written agreements be negotiated between the State vocational rehabilitation agency each Veterans Administration regional office in the State, and the Veterans Administration hospitals within the geographic area served by the regional office which, by specifying procedures appropriate to the particular situation, will facilitate implementation of the principles of this agreement and achievement of its goals. Such local agreements should designate a liaison representative for each party to the agreement who will be responsible for developing and maintaining effective interagency collaboration.

C. Each agency should incorporate all appropriate principles of the agreement into their policy and procedures instructions and manuals.

X. SUPERSESSION

This joint statement supersedes the joint statement of January 12, 1971.

RUFUS H. WILSON, Chief
Benefits Director,
Veterans Administration

JOHN D. CHASE, M.D., Chief
Medical Director,
Veterans Administration

ANDREW S. ADAMS, Commissioner
Rehabilitation Services Administration,
Office of Human Development
Department of Health, Education, and Welfare

December 18, 1975

Chairman CRANSTON. Thank you very, very much. We are going to accept that, for the record.

Thank you very much for your thoughtful comments concerning the administration's proposed legislation, S. 1188.

Your views are most welcome and very useful to us. However, since a major focus of the hearing is directed toward exploring my amendment to that bill, I would like to have your comments on several provisions in the amendment.

Do you believe that the provisions of amendment No. 1661 are sufficient to implement the case management concept and to provide for a unified, comprehensive, multidisciplinary process of rehabilitation?

Mr. HUMPHREYS. I think, Mr. Chairman, that both the administration bill and your own bill would accomplish that purpose.

And I might just add that, in reviewing the memorandum of understanding between RSA and VA, that we have an opportunity to work in even closer cooperation than we have in the past in that, if the legislation is enacted, we will have systems which are, in many respects, very similar.

And the cooperation that is currently in effect between us will become even more important.

Mr. STEINBERG. Bob, if we were to have to choose, as the committee may, between dealing with the case management concept in more or less explicit terms in the legislation, which would you recommend?

Mr. HUMPHREYS. I would recommend that, whatever course is taken, it come as close as possible to paralleling the State-Federal rehabilitation system.

It seems to me that the experience of that system over the years has been refined to the point where it is most effective in providing rehabilitation services.

And I think that, for purposes of the Veterans' Administration, that following that model closely would be more to the benefit of disabled veterans.

Mr. STEINBERG. Is the system you have in place now the case management model that you believe is appropriate?

Mr. HUMPHREYS. Yes.

Mr. STEINBERG. How long has that been in place?

Mr. HUMPHREYS. Well, in actuality, the case manager concept is one that began with the initiation of the rehabilitation system, as we know it.

The counselor, as you probably know, is the nucleus and the core service provider in the State-Federal rehabilitation system, and all activities in that system relate to what the rehabilitation counselor can do with and for the disabled individual.

It is a program which tailors services to the specific needs of the person under rehabilitation, rather than providing a panoply of undifferentiated services.

And I think it has served to provide the maximum possible benefit in the system to individuals.

Mr. STEINBERG. That is to be contrasted with, at least at present, the way you understand the chapter 31 system operates?

Mr. HUMPHREYS. Yes.

Mr. STEINBERG. Has it been your experience in the executive branch, as well as in your work with the Congress prior to that, that it is helpful, generally, when trying to bring about a major change in program, to provide specific steps to a framework for that change in order to make clear what Congress intends and be able to have a standard against which to measure it?

Mr. HUMPHREYS. As a general principle, I think that is quite true.

In many ways, however, an administration has to be provided with some flexibility to adapt programs to its own particular needs in its particular mode of operation.

More specific than that I cannot be, at the moment.

Mr. STEINBERG. Thank you.

Chairman CRANSTON. New section 1505 of the amendment provides for a 12-month period of extended evaluation and for extensions of additional periods of up to 6 months when the Administrator determines that it is likely that, during an extended period, a determination can be made with respect to the feasibility of an employment goal for the veteran.

During the period of extended evaluation, services and assistance are authorized to improve the veteran's potential to participate in vocational training. Once it is determined that a vocational goal is feasible, the veteran would enter a program leading to that goal.

On the other hand, once it is determined that the vocational goal is not feasible for the veteran, he or she would have entitlement to the pilot program of independent living services and assistance.

In light of your experience with the State VR programs, do you believe that this process of evaluation and decisionmaking regarding the feasibility of a vocational goal is the appropriate way to structure the VA evaluation process?

Mr. HUMPHREYS. Yes. I think that it is an important part of the total rehabilitation process, particularly where the potential employability or independence capacity of the individual is not thoroughly known through the process of diagnosis and evaluation, initial evaluation.

Often, it is necessary to go well beyond the normal course to provide additional services in order to prepare an individual for a rehabilitation program which will result in both employability and employment.

I would not, much as we reflected in the 1973 Rehabilitation Act, like to see an extended evaluation program which results in a dumping ground for disabled persons.

So, care must be taken in assuring that people are not left in that status for an extended period of time beyond the time that it is necessary to do.

Chairman CRANSTON. Are there particular types of services and assistance available under State VR programs that are not provided for in amendment No. 1661 but that, in your opinion, should be provided for?

Mr. HUMPHREYS. Senator, I believe that, for the most part, your amendment has covered those services.

I would have to go back to the amendment to relate that to the scope of services under the Rehabilitation Act.

I would repeat, however, that, to the extent that it can be done, the services offered under both programs should closely relate to each other in order to reflect maximum interchangeability.

Chairman CRANSTON. If you could give us the results of that review for the record, we would appreciate it.

Mr. HUMPHREYS. I will be happy to, sir.

[Subsequently, the Department of Health, Education, and Welfare submitted the following information:]

The range of the vocational rehabilitation services authorized in S. 1188 is comparable to vocational rehabilitation services available under the Rehabilitation Act of 1973 ("the Act").

Section 103(a) of the Act provides that services under the Act "are any goods or services necessary to render a handicapped individual employable, including but not limited to . . . (listed services)." S. 1188 contains similar language in Section 1503 which includes specified services as well as "goods and services . . . determined by the administration as necessary to accomplish vocational rehabilitation in individual cases." Thus, under S. 1188 it is clear that a range of services comparable to that available under the Act could be provided if the Administrator chose to make the appropriate determinations.

S. 1188 does not provide for comprehensive services for independent living to individuals with no employment potential.

The side by side comparison, attached, shows the scope of service in the vocational rehabilitation program of S. 1188 and the Rehabilitation Act.

Comparison of Scope of Services

§.1503 Scope of Services (S.1188)	§. 103 Scope of Vocational Rehabilitation Services
"Services authorized under this chapter shall include:	"Sec. 103(a) Vocational rehabilitation services provided under this Act are any goods and services necessary to render a handicapped individual employable, including but not limited to, the following:
"(1) Evaluation of rehabilitation potential, including diagnostic and related services to determine whether the service-connected disability causes a handicap to employment and whether a rehabilitation goal is feasible for the veteran, and to provide a basis for planning a suitable vocational rehabilitation potential, as appropriate.	(i) evaluation of rehabilitation potential, including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of mental or emotional disorders, or by a licensed psychologist in accordance with State laws and regulations, or both;
"(2) Educational, vocational, and personal adjustment counseling.	See below
"(3) A vocational rehabilitation plan as set forth in section 1507 of this chapter.	Section 102(a) The Commissioner shall insure that the individualized written rehabilitation program, or the specification of reasons for a determination of ineligibility prior to initiation of such program based on preliminary diagnosis, required by section 101(a)(9)

"(4) Vocational and other training services, including individualized tutorial assistance, personal adjustment and work adjustment training, tuition, fees, books, supplies, licensing fees, and other training materials.

in the case of each handicapped individual is developed jointly by the vocational rehabilitation counselor or coordinator and the handicapped individual (or, in appropriate cases, his parents or guardians), and that such program meets the requirements set forth in subsection (b) of this section. Such written program shall set forth terms and conditions, as well as the rights and remedies, under which goods and services will be provided to the individual, and, as appropriate, such specification of reasons for such an ineligibility determination shall set forth the rights and remedies, including recourse to the process set forth in subsection (b)(5) of this section, available to the individual in question.

(3) vocational and other training services for handicapped individuals, which shall include personal and vocational adjustment, books, and other training materials, and services to the families of such individuals as are necessary to the adjustment or

"(5) Treatment for mental and emotional disorders.

"(6) Medical diagnosis, care, treatment, and hospitalization.

"(7) Prosthetic appliances, eyeglasses, and other corrective devices.

rehabilitation of such individuals: *Provided*, that no training services in institutions of higher education shall be paid for with funds under this title unless maximum efforts have been made to secure grant assistance, in whole or in part, from other sources to pay for such training; (7) recruitment and training services for handicapped individuals to provide them with new employment opportunities in the fields of rehabilitation, health, welfare, public safety, and law enforcement, and other appropriate service employment;

(4) physical and mental restoration services, including, but not limited to, (A) corrective surgery or therapeutic treatment necessary to correct or substantially modify a physical or mental condition which is stable or slowly progressive and constitutes a substantial handicap to employment, but is of such nature that such correction or modification may reasonably be expected to eliminate or substantially reduce the handicap within a reasonable length of time,

"(8) Placement services to effect suitable placement in employment; postplacement services to ensure satisfactory adjustment in employment.

(B) necessary hospitalization in connection with surgery or treatment, (C) prosthetic and orthotic devices, (D) eyeglasses and visual services as prescribed by a physician skilled in the diseases of the eye or by an optometrist, whichever the individual may select, (E) special services (including transplantation and dialysis), artificial kidneys, and supplies necessary for the treatment of individuals suffering from end-stage renal disease, and (F) diagnosis and treatment for mental and emotional disorders by a physician or licensed psychologist in accordance with State licensure laws;

(2) counseling, guidance, referral, and placement services for handicapped individuals, including follow-up, follow-along, and other postemployment services

"(9) Services to the veteran's family as necessary to the veteran's rehabilitation

"(10) Special rehabilitation services, including services for the blind and deaf:

"(A) services such as language training, speech and voice correction, training in ambulation, one hand typewriting:

"(B) orientation, adjustment, mobility, and reader services for the blind, and interpreter and other services for the deaf; and

"(C) telecommunications, sensory, and other technological aids and devices.

"(11) Subsistence allowance as authorized by section 1501 of this chapter.

necessary to assist such individuals to maintain their employment and services designed to help handicapped individuals secure needed services from other agencies, where such services are not available under this Act;

See 103(a)(3)

(6) interpreter services for deaf individuals and reader services for those individuals determined to be blind after an examination by a physician skilled in the disease of the eye or by an optometrist, whichever the individual may select;

(8) rehabilitation teaching services and orientation and mobility services for the blind;

(11) telecommunications, sensory, and other technological aids and devices

(5) maintenance, not exceeding the estimated cost of subsistence, during rehabilitation;

"(12) For the most severely disabled veterans requiring homebound training and/or self employment, essential equipment, supplies, and minimum stocks of materials determined necessary to begin employment. The Administrator shall, by regulation, establish criteria and cost limitation.

"(13) Transportation, as authorized in section 11 of this title, plus a special transportation allowance during training, job seeking, and the initial employment stage for veterans who, because of their handicap, have transportation expenses above those incurred by persons not so handicapped.

"(14) Work study allowance, as authorized by section 1685 of this title

"(15) Loans as authorized by section 1510 of this chapter.

"(16) Other incidental goods and services, including but not limited to all necessary books, supplies, and equipment determined by the Administrator as necessary to accomplish vocational rehabilitation in the individual case.

(9) occupational licenses, tools, equipment, and initial stocks and supplies;

(10) transportation in connection with the rendering of any vocational rehabilitation service; and

See 103(a)(3)

(b) Vocational rehabilitation services, when provided for the benefit of groups of individuals, may also include the following:

(1) in the case of any type of small business operated by individuals with the most severe handicaps the operation of which can be improved by management services and supervision provided by the State agency, the provision of such service services and supervision, along or together with the acquisition by the State agency of vending facilities or other equipment and initial stocks and supplies;

(2) the construction or establishment of public or nonprofit rehabilitation facilities and the provision of other facilities and services (including services offered at rehabilitation facilities) which promise to contribute substantially to the rehabilitation of a group of individuals but which are not related directly to the individualized rehabilitation written program of any one handicapped individual;

best copy available

(3) the use of existing telecommunications systems including telephone, television, satellite, radio, and other similar systems) which has the potential for substantially improving service delivery methods, and the development of appropriate programing to meet the particular needs of handicapped individuals; and

(4) the use of services providing recorded material for the blind and captioned films or video cassettes for the deaf.

Chairman **Cranston**. Do you view the proposed pilot program of independent living services and assistance for veterans for whom a vocational goal is not feasible as a positive step in the direction of expanding rehabilitation services for very severely disabled veterans?

Mr. **Humphreys**. I certainly think that independent living services, as currently reflected in the Rehabilitation Act, are very much overdue, very much needed.

I am not fully acquainted with the mechanisms in your amendment No. 1661 which would provide that pilot program, nor am I clear on how it would operate.

I certainly think that independent living services, as an adjunct to the rehabilitation system for vocational purposes, is highly desirable and highly important.

Chairman **Cranston**. Do you believe that the provisions for a basic 24 months of entitlement to independent living services and assistance, with provision for an extension when it is determined that a longer period is necessary and likely to result in a substantial improvement in the veteran's ability to live and function independently, is a reasonable approach?

Mr. **Humphreys**. I, again, would defer to the Veterans' Administration and their position on that.

From the standpoint of the civilian program, however, the average rehabilitation process is approximately 23 to 24 months.

There are, of course, instances—many instances—in which the rehabilitation process takes longer.

For example, college training for an individual takes 4 years. It should have the flexibility, I think, to permit rehabilitation services to be provided beyond a specific time-limited point.

Chairman **Cranston**. Do you have any specific recommendations for modifying the design of the pilot program?

Mr. **Humphreys**. Senator, I will be happy to review the——

Chairman **Cranston**. Suppose you respond for the record to that, Bob.

Mr. **Humphreys**. All right, sir.

[Subsequently, the Department of Health, Education, and Welfare submitted the following information:]

The Rehabilitation Services Administration defers to the Veterans' Administration in the presentation of the Administration's comments on the Pilot Program of Independent Living Services and Assistance in section 1520 of Amendment No. 1661. This section is similar in concept to section 130 of the Act (as in effect before the amendments made by Public Law 95-602) which authorized a comprehensive study and demonstration projects for independent living services in the civilian program. The proposed Pilot program also resembles the service delivery program in Part A of Title VII of the Act (added by Public Law 95-602) in that it authorizes the provision to eligible veterans of individual programs of comprehensive services for independent living designed to meet current and future needs of such severely disabled individuals.

Chairman **Cranston**. Do you agree that this pilot program should be carried out by the VA contractually, rather than directly?

Mr. **Humphreys**. I believe that would be a desirable approach, yes.

As you know, we have just begun the independent living rehabilitation program under the civilian program. The first 10 projects were provided grants late in 1979. That program is being expanded this year.

And I think, from the standpoint of approaching a symbiosis between the Veterans' Administration system and our own for the purpose of strengthening that very small program, that it would be highly desirable to take advantage of programs that are in place and, also, from the standpoint of the Veterans' Administration, not require a parallel gearing up of a program that, perhaps, is not necessary.

Mr. STEINBERG. Bob, would you agree that, if the VA had a program such as the blind rehabilitation centers—with which, I think, you are probably familiar—which are generally understood to be very extensive, effective programs and would not involve unnecessary duplication, the independent living pilot program should be carried out for a blind individual through such a VA project?

Mr. HUMPHREYS. Well, I suppose there is always room for more services. My chief interest, I think, would be in insuring that these new independent living projects are nurtured to the extent that they can for the benefit both of the Veterans' Administration, the disabled veteran, and the civilian population and its system.

Certainly, comprehensive rehabilitation centers with mobility training and orientation services are highly competent to provide services to veterans, as well as to those who are not.

Chairman CRANSTON. I am sorry to say that the Senate schedule has now interfered with my ability to stay here. We have started the first of a series of back-to-back votes without debate in between them.

So, I am going to have to go over there and stay there for a rather substantial period of time.

So that we do not keep all of you waiting, Jon Steinberg will ask questions that I would have asked and will proceed with the other witnesses.

And I am very sorry that I have to leave because I would like to stay here.

And I am particularly interested in this legislation and the problems it reflects and the opportunities that it reflects. I will be back as soon as I can and will review the record so that I will know what has occurred. And, again, thank you for your helpfulness.

Mr. HUMPHREYS. Thank you, Senator, very much. It is very good to see you.

Mr. STEINBERG [presiding]. We will resume now, Bob. Would you be able to give us, now or for the record, a description of the appropriate outcomes for an individual who is in an independent living program?

Mr. HUMPHREYS. The outcomes are as many and varied as the individuals who participate in them. You will have a witness later who can speak from firsthand experience as to the variety of outcomes that are appropriate for people in independent living.

Ed Roberts, the director of the State rehabilitation agency in California, will be a speaker.

We have, on the Federal level, in terms of the existing projects that newly are authorized under title VII, very little experience in outcomes.

However, under the demonstrations authorized under section 130, the comprehensive needs provision of the Rehabilitation Act, there was a final report prepared by the Urban Institute, a participant in that demonstration activity, which indicated that, across the board, although one could not generalize from the experience that was engaged in by the disabled persons in that study, it was clear that, as a general principle, capacity to live independently and to socially interact, and the quality of life, in general, were enhanced through the provision of these services.

Mr. **Steinberg.** So, we should be careful in the legislation not to anticipate any one particular set of outcomes?

Mr. **Humphreys.** I would think that would be too restrictive, yes.

Mr. **Steinberg.** The pilot program provision in the amendment authorizes contracting only with public or nonprofit projects and organizations with respect to independent living services.

Do you foresee any need for contracts with for profit agencies in connection with such programs?

Mr. **Humphreys.** I suppose one should not limit the options. However, as I suggested earlier, the title VII centers that are in place are, in fact, provided to and through the designated State unit; that is, the vocational rehabilitation agency in each State.

And that entity has the capacity to subcontract or grant to others. In general, I would think that those subgrants or contracts would be limited to not-for-profit organizations.

I do not have a firm feeling about that at the moment, however.

Mr. **Steinberg.** Has the State VR program encountered any particular difficulties in the requirement of the Rehabilitation Act for the joint development of the individualized written plan?

Mr. **Humphreys.** There was some early difficulty because of the lack of familiarity on the part of counselors in the need for carefully structured development of an individualized written rehabilitation program.

But I think that, as—and although there may still be some atavistic resistance on the part of some counselors to some of the activities associated with the 1973 act and its amendments, including the individualized written rehabilitation program. Nonetheless, for the most part, we have found that there is the feeling of great association with and appreciation for the guidance that is provided not only through the individual client but the counselor, as well, in developing that kind of program.

Mr. **Steinberg.** Do you think the requirement of joint development in that instance brought about a real program change?

Mr. **Humphreys.** Absolutely so, yes. I think the program is more responsive by far than it has been to the needs as perceived by the disabled individual, him or herself.

Mr. **Steinberg.** Based on your experience with that, would you think that veterans participating in chapter 31 training ought to be entitled to the same degree of participation in developing their plans?

Mr. **Humphreys.** I would recommend it.

Mr. **Steinberg.** The amendment limits the requirements of an individualized written plan, the designation of a case manager, and mandatory counseling to only those veterans who have a serious employment handicap.

Do you believe that this would be an appropriate way to focus the VA's rehabilitation resources on the needs of the more seriously disabled veteran?

Mr. HUMPHREYS. As you know, under the State-Federal program, an individualized written rehabilitation program is required for all clients accepted into the system.

I would hesitate to rule out that as a possibility. However, I would like to give that some careful thought and get back to you.

Mr. STEINBERG. That would be very helpful if you would provide that for the record.

[Subsequently, the Department of Health, Education, and Welfare submitted the following information:]

We have found that the Individual Written Rehabilitation Program required for all clients in the civilian program is equally useful for the developing tracking and evaluation of services and outcomes regardless of the degree of the client's disability.

Mr. STEINBERG. Bob, returning to the joint development issue for a moment—and you may want to check and provide this for the record—has that requirement, with respect to individuals with psychiatric disabilities, been any particular problem?

Mr. HUMPHREYS. I cannot speak to that issue, particularly. As you know, the individualized written rehabilitation program can be developed where there is a lack of capacity on the part of the individual client, to be developed with the parent or guardian.

So, to the extent that that is a problem, my expectation would be that the parent or guardian would stand in the place of the individual client with the rehabilitation counselor and it would work out quite well.

Mr. STEINBERG. So, the answer would be that, if the individual has been adjudicated to be incompetent and has a guardian or is incompetent as a matter of law, as is a minor, then the designated agent would participate; otherwise, your experience would indicate that the client should be able to participate?

Mr. HUMPHREYS. That is my preliminary expectation. I think, from the standpoint of one who, in fact, does deliver direct services—and, again, I refer to Ed Roberts—that he could describe the existing situation, at least in his State, with more particularity.

Mr. STEINBERG. We will certainly take that up with Mr. Roberts. As you know, the amendment provides for a Veterans' Advisory Committee on Rehabilitation and provides that the commissioner of RSA would sit on that as a nonvoting ex officio member.

Do you think such participation would be appropriate and useful?

Mr. HUMPHREYS. I think it would be very desirable and, certainly, would strengthen the bonds between the Veterans' Administration and our agency in terms of going down paths that are appropriate for both of us in this program.

Mr. STEINBERG. Based on your experience in terms of working with the Veterans' Administration closely in preparing its statutory report on the chapter 31 program and the legislation which it ultimately submitted, do you believe that such a committee could be helpful within the VA toward improving coordination between its own component parts, particularly the Department of Veterans' Benefits and the Department of Medicine and Surgery?

Mr. HUMPHREYS. I would think, to the extent that—and I can only speak from my own perspective—to the extent that we can offer assistance and guidance to the VA based on our own experiences and past organizational structure and development and provision of services, that it could be beneficial, yes.

I would not want to attempt to instruct the VA on how it should be organized, however.

Mr. STEINBERG. But would you agree or not that the existence of such a committee and the participation on it of seriously disabled veterans, of individuals and officers such as yourself within the Federal Government, with experience, long experience in rehabilitation services, of experts from the academic community and practitioners of rehabilitation, science and services, that the discipline of having such a committee there, the accountability that that might bring about would facilitate the sort of coordination that would be useful of the various aspects of the VA's own programs?

Mr. HUMPHREYS. I would certainly think so, yes.

Mr. STEINBERG. Do you think that the Department of Labor should be represented on such an advisory committee if one is set up?

Mr. HUMPHREYS. The Department of Labor, certainly, has a role to play in terms of its existing employment programs, the Private Industry Council authority in the CETA Act.

Yes, I think they would make a contribution to that.

Mr. STEINBERG. Could you, for the record, let us know any specific recommendations you have for improving the legislation, specifically, in terms of employment and placement assistance?

In other words, have we dealt adequately with that very crucial aspect of it?

Mr. HUMPHREYS. We will review it very carefully.

Mr. STEINBERG. Thank you.

[Subsequently, the Department of Health, Education, and Welfare submitted the following information:]

The Administration bill, S. 1188, was developed in response to detailed evaluation of the vocational rehabilitation program in all of its aspects, including employment and placement practices. I believe that the provisions of this proposed legislation represent realistic and appropriate improvements at this time.

Mr. HUMPHREYS. Jon, if I might interject here for a minute. When you were discussing with Guy McMichael the need for program accountability and identification of data that is appropriate for that accountability, the suggestion was that he go to the GAO and try to work something out.

I might suggest that an appropriate course might be for the Veterans' Administration and RSA to get together because we have a long history of data collection and program accountability that, I think, perhaps would be useful in designing the VA system.

Mr. STEINBERG. I wonder if we could just sort of put those two things together and ask whether you would be willing to participate with the VA in working with the GAO, making your expertise available on that.

Mr. HUMPHREYS. Of course.

Mr. STEINBERG. That would be very helpful. It is my recollection, from the work that we did together on the Rehabilitation Act of 1973, that the problem of paper closures was a major one that we tried to deal with in that legislation, and that was a major data problem and was a major problem in terms of accountability of the VR counselors within the State system.

So, I imagine that you have had substantial experience with dealing with the shift that was tried to be worked out in that legislation.

Mr. HUMPHREYS. Yes.

Mr. STEINBERG. And that would be very helpful. We appreciate that suggestion.

Could you give us an indication today or, if you would prefer, for the record, of the major areas in which State VR programs presently cooperate closely with the chapter 31 program?

Mr. HUMPHREYS. Yes. I had not quite finished my statement, when Senator Cranston began to ask some questions.

I was about to indicate that, as a result of the cooperative agreement between the VA and ourselves, that at least 80 percent—and I am told possibly closer to 90 percent—of the VA field offices have formal interagency agreements with State rehabilitation agencies.

The VA staff participated in training offered by research and training centers, funded now under the National Institute of Handicapped Research, which I am sure Joe Moriarty will go into in greater depth.

And we have, within RSA, established since 1976 a Veterans Rehabilitation Committee which includes the Veterans' Administration, as well as other Federal agencies.

I have provided a copy of the memorandum of understanding or principles of cooperation for the record.

I might note, too, that, in terms of service delivery to disabled veterans for non-service-connected disabilities that the State rehabilitation program has been very active in rehabilitating veterans.

As a matter of fact, currently, the rehabilitation of veterans is about 4 percent of the total, and has gone from about 8,000 in 1976 to 11,000 in 1978. So, it's a substantial number of rehabilitants in our program.

Mr. STEINBERG. Is it your assumption that the majority of those are non-service-connected?

Mr. HUMPHREYS. Yes.

Mr. STEINBERG. Do you have any data on that?

Mr. HUMPHREYS. We are, essentially, limited to serving veterans with respect to non-service-connected disability. There may be some related nonservice—or, service-connected disabilities that tie the two together, but I do not know that we have data on that. However, I will check.

Mr. STEINBERG. That would be because the State VR program would, generally, try to refer service-connected disabled veterans to the VA for chapter 31?

Mr. HUMPHREYS. Right.

Mr. STEINBERG. Do you believe that the VR-RSA guide which was developed to assist directors of State VR agencies has been a good model, by and large, for establishing effective cooperative effort within the VA itself—first, in terms of its coordinating services internally and, second, in terms of its coordinating its services with other agencies such as HEW and the Labor Department in order to accomplish goals such as job placement and employment information?

Mr. HUMPHREYS. I think it has been highly fruitful to both agencies. And, as is always the case, there is never enough coordination and cooperation, but I certainly think that, to the extent that it can be done, it ought to be done more.

And using this legislation, should it be enacted, as a catalyst, we would be anxious to strengthen our ties to the Veterans' Administration, as well.

Mr. STEINBERG. How much opportunity exists for improvement and expansion in terms of joint training of staff, exchange of personnel between the systems, and other coordinating arrangements?

Mr. HUMPHREYS. I think that's one of the, at least, potentially, the most exciting prospects, that we might engage in some joint professional staff development.

As an example—and I am just talking off the top of my head, at the moment—we have what are called regional rehabilitation continuing education programs in each region, which provide improved training for the benefit of rehabilitation counselors in the State-Federal program.

I would think that, were the VA to buy into that, that it would provide an interesting means of developing within the VA rehabilitation counselor work force, the same kind of understanding of client populations to the extent that that does not now exist, as the State agency people now have.

And they could, likewise, take advantage of latest techniques and developments, technology and engineering in the field.

So, I think it would be very beneficial.

Mr. STEINBERG. Bob, those were all the questions that Senator Cranston had indicated that he wished to pose.

If it would be possible, it would be very helpful to the committee if you could get responses back to us, for the record, by a week from Friday. We have a fairly tight schedule in terms of moving the legislation forward in committee.

I believe that is March 6. And we would ask the VA, which I believe is still represented, if they would also plan to get their replies for the record back by next Friday.

We will cooperate with each of you in advance of your getting the written transcript of the hearing to let you know exactly what areas we requested the followup on so, in the event that your notes are incomplete, so that you can get to work on that as soon as possible.

Mr. HUMPHREYS. We will do our very best to meet that deadline.

Mr. STEINBERG. We appreciate it. Thank you very, very much.

[The prepared statement of Mr. Humphreys follows:]

PREPARED STATEMENT OF ROBERT R. HUMPHREYS, COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION

Mr. Chairman and Members, I appreciate the opportunity to participate in these hearings on the Veterans Rehabilitation and Education Amendments of 1979 contained in H.R. 5288 passed by the House of Representatives and in S. 1188, the Administration bill introduced by Senator Cranston.

These bills are designed to improve and update the veterans vocational rehabilitation program. Proposed changes in the legislation are based on the experience of the Veterans' Administration in providing services under the provisions of chapter 31 of title 38 of the United States Code, and upon study of the findings and recommendations of a special study mandated by the Congress in Public Law 95-202. That law required the Administrator of the Veterans' Administration, with consultation of the Commissioner of the Rehabilitation Services Administration, to study the existing programs and authorizing legislation. The study completed in 1978 compares the vocational rehabilitation services available to service disabled veterans with those under the Rehabilitation Act of 1973, as amended. Major veterans service organizations also provided comments and suggestions.

The study findings and recommendations were adopted by the President in his message of October 10, 1978, to the Congress on the status of Vietnam veterans. He said, "Our vocational rehabilitation programs must reflect our paramount concern for those veterans who have service connected disabilities. The current VA program is based on a 1943 model and requires major updating. I will submit legislation to the next Congress that will modernize and improve that program."

Essentially, the bill recommended by the President and introduced by Senator Cranston (S. 1188) is designed to broaden the scope of services to be provided veterans with service-connected disabilities to enable them to attain maximum independence, to become employable and to obtain and maintain suitable employment. While focusing primarily on employment as the ultimate goal, the program would also help to meet the needs of those seriously disabled veterans who may not be able to reach employability but who could benefit from independent living services. In this context, the new program would closely parallel the State-Federal program of vocational rehabilitation. It would also remove certain current limitations in the veterans program on the provision of services by increasing the time span for eligibility and improving procedures for followup to assure that individual rehabilitation plans are achieved. The effect of these provisions is to provide additional services to many service connected disabled veterans, and to permit many other service connected disabled veterans who are not currently eligible for the veterans vocational rehabilitation program to qualify for services.

The bills would also expand the authority of the Administrator of Veterans' Affairs in staff development and research. Provision is made for interagency linkages and coordination with the Rehabilitation Services Administration and other appropriate Federal agencies.

Mr. Chairman, I defer to Administrator Max Cleland to present the President's position on the proposed legislation before you. I do wish to state, however, that in our experience a vocational rehabilitation program that is concerned with "employability" but does not help the veteran to enter into and adjust to employment cannot be adequate to all of the needs of disabled veterans, especially those who are more severely disabled who face strong competition for jobs in the employment market. A program without essential pretraining evaluation, employment and placement services, and adjustment services is not able to meet all the significant special needs of disabled veterans seeking appropriate employment. Based on the experience of our State-Federal program for civilians, we strongly support the Administration's proposals to improve these features of the program for veterans.

I wish to speak briefly to the cooperation of VA and the Rehabilitation Services Administration which began in 1944. An interagency agreement encouraging coordination and cooperation was developed. In 1975 the two agencies reviewed their agreement and issued a guide to assist Directors of State vocational rehabilitation agencies, directors of VA regional offices, and directors of VA hospitals, domiciliaries, and clinics in establishing relationships and operational plans for providing vocational rehabilitation services without duplication of effort or unnecessary expenditure of funds. The agreement relates to areas of cooperation in referral of applicants, nonduplication of services, exchange of information, staff development, use of special facilities, job placement, and research. I am offering for the record a copy of that agreement.

Currently 80 percent of the VA field offices have formal interagency agreements with State vocational rehabilitation agencies. VA staff participate in training offered by research and training centers which are now funded under the National Institute of Handicapped Research, a spin-off from the Rehabilitation Services Administration authorized under the 1978 Amendments to the Rehabilitation Act.

In 1976 the Rehabilitation Services Administration established a Veterans Rehabilitation Committee which included the active participation of the Veterans' Administration as well as other Federal and State agency representatives who are concerned with rehabilitation of veterans. One of the outgrowths of this committee activity was a workshop in Albuquerque, New Mexico which brought together VA and civilian rehabilitation personnel, representatives from veterans organizations, the Department of Labor and State employment people. The aim was to increase mutual understanding and use of the services of the two systems to benefit more disabled veterans. We shall continue and expand such cooperative efforts as the two agencies implement new Congressional mandates.

Thank you for this opportunity to present our views and experience. I shall be glad to answer any questions you may have.

Response of the Department of Health, Education, and Welfare to a Written Question Submitted by Hon. Alan Cranston, Chairman of the Senate Committee on Veterans' Affairs

Question. Dr. Phillip Criswell, representing the Association for the Advancement of Psychology and the American Psychological Association, testified at the hearing that the VA's qualification standards for counseling psychologists in the chapter 31 vocational rehabilitation program were inadequate. On page 9 of his testimony, he stated that the professional standards for "the independent practice of psychology—as recognized by the American Psychological Association, the National Register of Health Services Providers in Psychology, the Department of Health, Education, and Welfare, the National Institute of Mental Health, all branches of the Armed Forces, most third-party payers for services, both Government and commercial—are a doctorate from an approved program in an accredited university and at least one year of supervised experience." He added that those with less than a doctoral degree in psychology are required to be supervised by a psychologist who meets these standards. He urged that the VA use these standards for the vocational rehabilitation program.

According to Dr. Criswell, the vocational rehabilitation program is largely staffed by GS-9 counseling psychologists which requires only a bachelor degree and "two years of professional experience in psychological work."

Please state whether you agree or disagree with Dr. Criswell's recommendation and give your reasons.

Answer. Essentially we agree with the recommendation presented by Dr. Criswell. As an operating principle we believe that psychologists as well as other staff working with handicapped individuals should have the highest professional skills.

As indicated in this testimony, the quality of professionals in the State-Federal vocational rehabilitation program is protected through the requirement that they meet state certification and licensure standards. I want to underscore earlier comments about the importance of training programs which will help to assure an adequate manpower supply of qualified professionals to serve disabled people in both the civilian and veterans programs.

Mr. **Steinberg.** Our next witness will be Hon. Dennis R. Wyant, Deputy Assistant Secretary for Veterans' Employment, Department of Labor.

Dennis, we are delighted to have you back before the committee again, and would ask you, please, to summarize your remarks so we have time for questions.

TESTIMONY OF DENNIS R. WYANT, DEPUTY ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT, DEPARTMENT OF LABOR

Dr. **Wyant.** It is always a pleasure to appear before the committee and to comment on the amendment, No. 1661, as well as the bill, S. 1188, the VA vocational rehabilitation study, evaluation, and recommendations.

Before I enter the testimony for the record, I would want to make a part of the public record my personal thanks to the Chairman for the very warm and thoughtful letter of congratulations that he sent to the Veterans' Employment Service for our award as the Employer of the Year by the District of Columbia Rehabilitation Association. We have placed over 90 percent of our professional staff with disabled veterans in the last year.

Mr. **Steinberg.** We will certainly pass that on to Senator Cranston. We will be glad to print that letter in the hearing record at this point so the public can be aware of your fine record.

Mr. Wyant. Thank you very much.

[The correspondence from Chairman Cranston follows:]

U.S. Senate,
Committee on Veterans' Affairs,
Washington, D.C. February 11, 1980.

Hon. Dennis R. Wyant,
Deputy Assistant Secretary of Labor for Veterans' Employment,
Department of Labor, Washington, D.C.

Dear Dennis: I wanted to send my personal congratulations to you on receiving the "Employer of the Year" award from the District of Columbia Rehabilitation Association.

It is certainly a well-deserved honor in light of your impressive record of hiring 14 disabled veterans within the first six months of your job as Deputy Assistant Secretary of Labor for Veterans' Employment. You have set a fine example for other employers in government and privante industry to follow.

It should give you great satisfaction to know that your example will benefit not only the veterans you hired, but those who will be hired by others as a result of your initiative.

All the best to you for your continued success.

With warm regards.

Cordially,

Alan Cranston,
Chairman.

Dr. Wyant. Today, I do not have any staff with me. They are putting the final polishing touches on our testimony for Tuesday in front of the full Committee on oversight.

With us in the audience today, however, is Frank Cantwell, with the Employment and Training Administration Legislative Office, and Jane Yanulis, with the Deputy Under Secretary of Congressional Liaison Office in the Department of Labor.

In summarizing our testimony I would like to go back for a second to my arrival in Washington, D.C., in 1973, when I was doing my doctoral dissertation on the job search of blinded vets of the Vietnam era. Some of the problems I found in my study would be solved by the Senator's amendment and the Administration's bill, if enacted into law.

As I went on to work with the President's Committee on Employment of the Handicapped and the White House Conference on Handicapped Individuals, and had a chance to compare the Federal-State system of vocational rehabilitation to that of the VA, I was able to identify other deficiencies in chapter 31. Once again, I believe that with the passage of amendment No. 1661 and S. 1188, many of these deficiencies will, finally, bring VA's rehabilitation program out of the 1940's and into the 1980's.

While serving as Special Assistant to Max Cleland in the area of employment of disabled vets, I knew of Max's concern, also, to have one of the finest vocational rehabilitation systems in the world.

We at the Department of Labor, are also anxious to cooperate in seeing that our Nation's disabled veterans do get the opportunity to participate in meaningful, gainful employment. We feel that we have had some successes in working with the employment problems of disabled vets.

As you know, one of our major employment programs has been the Disabled Veteran Outreach Program—DVOP.

If you compare fiscal years 1977, 1978, and 1979 placement figures, in 1978, you will find that 17 percent more disabled vets placed than the year before; this last year, over 45,000 disabled vets were placed, an increase of 15,000 over fiscal year 1977.

So, we want to emphasize that we have major resources out there including 2,600 job service offices, and 460-plus CETA prime sponsors that fund thousands of private and public programs for employment opportunities. We feel that we can work in concert with the Veterans' Administration on this program.

Instead of comparing the VA system with just the HEW Federal-State vocational rehabilitation system, I have also had the opportunity to examine other approaches to rehabilitation.

Approximately, 2 years ago, I had the good fortune of receiving a fellowship to study the employment situation of handicapped at the expense of the Swedish Government.

I have three observations from that study that I would like to share with the committee. One concerns the case manager concept.

This was the approach that was used in Sweden, and Sweden has a very favorable reputation in the rehabilitation of the handicapped. Counselors followed the handicapped individual from the moment of disability through gainful employment.

I think that same concept is sound for the proposed legislation.

Another area that I am particularly concerned with is the area of job modification; reengineering, and restructuring of duties.

I would recommend that the conference report or the legislation indicate that this is an area of paramount importance. Employers often have the desire to modify and restructure jobs but, perhaps, not the expertise.

Under the case manager approach the VA will be able to go in and tell an employer how he can modify this piece of equipment or what type of job duties can be changed or exchanged to enable the disabled veteran to work.

This would help the mutual goal of our agencies—putting disabled veterans to work.

My third concern is the on-the-job training. In Sweden, only about 10 percent of the handicapped individuals were enrolled in college training programs. About 90 percent were in the on-the-job training programs.

As you will notice in here [indicating document], in the United States, through the VA voc rehab program, almost the opposite is true.

I do not think that this is a problem that is inherent to the Veterans' Administration or to the Rehabilitation Services Administration or the Department of Labor.

A college education in the United States is more than just a status symbol. It is something that is almost considered a necessity.

As I have spoken around the United States, I have often remarked that perhaps, we are first, going to have to give the person their college degree and then train them for a job.

In this same area we were particularly interested in section 1508, subsection (f), in which chapter 34 stated that disabled vets who have serious employment handicaps become eligible for services under chapter 31.

We, concur and believe that this will help in streamlining assistance. Because chapter 31 assistance rates are less than those in chapter 31 there is a financial disincentive resulting in many disabled vets choosing chapter 34 rather than chapter 31.

However, there is another problem. As you know from the vocational rehabilitation study, show that only one out of five disabled vets have participated under chapter 31. We are concerned about those other four, particularly their eligibility under the targeted jobs tax credit TJTC—program.

As the general counsel of the VA, Guy McMichael, stated TJTC is only available to those who are enrolled in a vocational rehabilitation program. As a result only one out of five disabled vets are able to participate.

Thus, we would like for you to consider a further amendment to No. 1661 that would include a person enrolled under chapter 34 being deemed eligible for the targeted job tax credit as if he were enrolled in chapter 31.

We think that this will be a financial incentive for employers to hire disabled veterans.

Mr. STEINBERG. Of course, Dr. Wyant, that particular amendment would have to be considered by the Finance Committee and the Ways and Means Committee in the Congress as the targeted jobs tax credit comes under their jurisdiction and not under the jurisdiction of this committee.

Dr. WYANT. Several brilliant minds around the District of Columbia have talked about different alternatives and approaches.

Of course, one of the first solutions that comes to mind would be to amend the targeted job tax credit law.

Many feel however—and, again, it would have to be researched further—that, perhaps, the language could be changed for defining a chapter 34 participant, deeming him or her as eligible in chapter 31. This would meet what we think is probably the congressional intent of the law. It is possible that at that time the law passed, Congress did not realize that only one out of five disabled vets would be able to participate in the targeted job tax credit program.

Mr. STEINBERG. I'm sorry. If you are referring only to the chapter 34 participant who, under the amendment as proposed, would become a chapter 31 participant, and would be entitled to the equivalent payment that chapter 34 provides for, then, I believe we would concur with you that that individual would be enrolled under chapter 31 and would, thereby, be eligible for the targeted jobs tax credit. Our committee report would probably so provide if, upon review, there is no problem with that interpretation.

Dr. WYANT. We, at the Department of Labor, feel that that would be a very beneficial approach from the employer's standpoint in putting our disabled veterans to work.

A couple of other little sections that I would suggest to the committee that you might look at. One such section is section 1519, subsections (a)(2)(c), where you are talking about research and the coordination of research among agencies. The Department of Labor is not mentioned in this section.

We would like to point out that it was the Labor Department that did the Humrro study in the 1970's on disabled vets which has been quoted throughout the late 1970's and is one of the major studies of the problem.

We are presently investigating additional studies on the employment concerns of disabled vets and feel that the Labor Department, also, should participate in a coordinated effort in the areas of research proposed in the amendment.

Also, section 1519, subsection (c), talks about coordination of training between the VA and the Rehabilitation Services Administration.

Again, we feel that, if this is going to be a coordinated effort and if placement is one of the ultimate objectives, the Department of Labor should also play a role in the coordination of training. With our delivery system, with its labor market information, employer contacts, job matching systems and other resources available, we could also play a vital role in improving the employability and the employment of disabled veterans.

Mr. **Steinberg.** We will certainly work closely with you to try to make those changes that the Department thinks would be desirable in terms of those coordinating provisions.

Dr. **Wyant.** I also believe that under section 1521 of the amendment where it discusses the committee members for vocational rehabilitation and identifies certain agencies providing ex officio members to the committee.

The Labor Department was not mentioned as an ex officio member and we just want the committee to know that we pledge our full resources, and would be glad to participate. We could also add the expertise that we feel that we have gained over many years of working with employers.

Mr. **Steinberg.** It is very gratifying, if not unique, to find three Federal agencies in agreement on one thing.

Dr. **Wyant.** In closing my summary, I guess I will close as I opened. The Veterans' Employment Service, the State employment services, the CETA prime sponsors, we have a network across this United States that funds thousands of programs.

We think those resources can be used to better advantage particularly if we are working in concert with the Veterans' Administration. We want to coordinate resources so that the employer is not subject to a revolving door with 15 different job developers asking him for jobs. We feel that we can be very effective in working with the VA in putting our Nation's disabled veterans back to work.

That concludes my comments. I would be glad to answer any questions.

Mr. **Steinberg.** Thank you, Dennis. We appreciate your testimony.

You referred to the DVOP program with considerable pride and pointed out what you felt were some very measurable successes in that program.

Does the Labor Department have data to indicate how many of the service-connected disabled veterans placed in that program were either chapter 31 trainees or those who had successfully completed chapter 31 training?

Dr. **Wyant.** Are we talking about the DVOP's, themselves, or the placement that the DVOP's have made?

Mr. **Steinberg.** I was referring to the placements they have made, but I would also be glad to have the data for the DVOP's themselves.

Dr. **Wyant**. I wish I would not have brought that up because we don't have the information on either.

Mr. **Steinberg**. What would be entailed in trying to develop that information?

Dr. **Wyant**. It would have to be provided for the future. From my knowledge of our tracking system I just think it would almost be impossible. Let me look at it when I get back, but from what I have seen in this area, it is going to be difficult to obtain such information.

Mr. **Steinberg**. Would you check that out and report back to the committee as to the feasibility and a timetable, if it can be done, for changing the data system so that those sort of data can be collected?

Dr. **Wyant**. I will be happy to.

[Subsequently, the Labor Department submitted the following information:]

We do not have a data system which tracks DVOP personnel. The State Directors for Veterans' Employment report turnovers of DVOP personnel on a quarterly basis. To track chapter 31 DVOP's would necessitate a new reporting requirement. Since this would require Office of Management and Budget (OMB) clearance and because DVOP is a temporary program, we do not believe this suggestion to be very feasible.

Mr. **Steinberg**. Do you believe that a principal goal of the DVOP program should be to assist actively in the placement of chapter 31 trainees and chapter 31 completers?

Dr. **Wyant**. Absolutely, without a doubt.

Mr. **Steinberg**. Would it be useful, in that regard, if chapter 31 specifically made reference to that program in terms of achieving such a goal?

Dr. **Wyant**. As you know, the DVOP program was part of the economic stimulus package of 1977, and it started out with 2,000 DVOP's. And it has been part of our plan to reduce the program by 25 percent each year. Thus, DVOP is a temporary program that is scheduled to go out of existence in 1982.

The local veterans employment representatives, who many times work out of the same office in the State job service as the DVOP are permanent employees. I think this would have to be taken into consideration since this will be a long-term legislative action that you are working on.

Mr. **Steinberg**. Unless the committee's view were to the contrary, that the DVOP program should be a permanent program and should not go out of existence in accordance with the timetable that you suggested.

You indicated that you did agree that the DVOP program had an important role to play in the placement of service-connected disabled veterans.

Dr. **Wyant**. Absolutely.

Mr. **Steinberg**. Excuse me—of chapter 31 participants and graduates.

Would you say that the DVOP program would be, at this point, the principal specific program of the Labor Department to deal with service-connected disabled veterans?

Dr. **Wyant**. It has been. As you know, the Veterans' Administration has provided a list to all the DVOP's across the United States of all the service-connected disabled vets of the Vietnam era approximately 550,000.

In many States, DVOPs have done a person-by-person search for disabled veterans living in the community. They are reaching out. This type of outreach is needed in the Federal Government. Many, Federal outreach efforts do not follow through.

One of the things you will discover about the DVOP program in going around the country and talking with the different DVOP's themselves, is that they have developed a peer relationship with their fellow vets that they have really dug down through these lists and gone to unusual ends to find unlisted telephone numbers, changes of addresses, anything to make contact with that disabled vet. They have been quite successful.

Mr. STEINBERG. Is there anything in the data or the projected data that you are aware of that suggests that the problem with respect to employment of service-connected disabled veterans is going to markedly improve over the next 2 to 3 years in terms of the proportion of unemployed that they comprise, so as to justify the elimination of the DVOP program?

Dr. WYANT. I have not seen anything that says that the unemployment rate is going to go down during the next couple of years.

Mr. STEINBERG. Among this population?

Dr. WYANT. Among all populations. Yet the placement this year of disabled vets was not quite as great as last year.

And I think one of the reasons goes back to the emphasis that you put in your amendment that the more severely disabled, now, are probably the ones that we are focusing on.

During the initial years, we "creamed" the easily placed in this population. During this last year, though, we have concentrated on those who are a little bit harder to place. I think we are down to the point now that those that we are working with are the ones that have serious employment problems, perhaps those very problems that this comprehensive rehabilitation approach might help solve and get them back into the work force.

Mr. STEINBERG. It wouldn't be your position this morning, would it, that we will have successfully completed the task of assisting all of those more seriously disabled veterans in obtaining employment by the time the DVOP program is slated to come to an end?

Dr. WYANT. I do not think we are ever going to solve that problem completely.

Mr. STEINBERG. As I understand it, you have endorsed on behalf of the Labor Department and, certainly, the Veterans' Administration has strongly advocated, that the chapter 31 program be given a very concrete employment, rather than employability, emphasis.

Since you have indicated that the DVOP program is probably the major specific Labor Department program targeted on placing service-connected-disabled veterans in jobs, how is the administration acting in a consistent pattern by advocating through the VA and the Labor Department that we provide a major employment emphasis in chapter 31 program while, at the same time, proposing that the DVOP program go out of existence just about the time that we would have this employment emphasis in place in chapter 31?

Dr. **Wyant**. Let me mention a couple of areas and then I will answer your question.

As I see the case manager concept and the area of this placement, there is still a gap whether the DVOP program is in full existence or out of existence.

The DVOP is an entry level job, paying as low as $7,600 in some places. The DVOP's are usually young, Vietnam era disabled vets who are anxious to get into the work force and do a job.

They do not necessarily have the specialized training or the vocational training that is necessary to help the more severely disabled in the area of job placement, job development, job modification, reengineering, and restructuring.

Now, this is not a problem that is just confined to the VA, the Department of Labor, or RSA. It is, characteristic of many programs throughout our Nation.

When I was going under certification, as a rehabilitation counselor, I was very disappointed that there wasn't a single question in this 5- to 6-hour-grueling exam on disabled vets; there wasn't a single question on the VA's vocational rehabilitation program; and there were very few questions on job modification and placement. I think this is the case because most rehabilitation counselors, would rather practice psychotherapy than they would job placement.

It is harder to measure. With placement, you have to measure.

So, there is a need for someone that has expertise in placement and job modification. Obviously the DVOP is not going to be in that position.

To return to your last question, on the future of the DVOP as it is phased down, we have been doing studies and we have been letting our needs be known in consideration of the future of the DVOP program.

However, the current policy is that DVOP will be phased out by 1982.

Mr. **Steinberg**. You have stated in your testimony this morning your belief that, although greater emphasis must be placed on linking vocational rehabilitation with placement service, that the key to this is not to duplicate experiences, mechanisms, or resources now in the Department of Labor but, rather, to establish effective working relationships between the VA and the Labor Department.

And you, in that regard, disagreed with the 1979 evaluation carried out within the VA that concluded that, because of perceived weaknesses in Department of Labor administered job programs, the VA needs to enter into the area of placement.

Is it your opinion that the working relationships between the VA and the Labor Department for linking VR and job development and placement services needs substantial improvement?

Dr. **Wyant**. I think we can always stand to have better communications which is a point Guy McMichael made. Having worked in the VA, having recently obtained another subject matter expert in that area in Dennis Rhoades from the Veterans' Administration, and the White House Veterans' Federal Coordinating Committee, I believe we are now in a position to improve those linkages.

An interagency, VA-DOL agreement, was signed last December. It is the first such agreement since 1967.

Not only at that level is there communication, but the communication has improved down at the working level, because of personal relationships and mutual concerns for the problem.

I think we are working very closely together. However, I think we can always improve.

And if I may make a point, in the VA's evaluation that you mentioned I cannot remember the exact wording, but I think that some of the material cited in the report was taken from an article that appeared in the Washington Star or Washington Post—not necessarily a direct source.

Some times, even though the information comes from the Washington Star or Stars and Stripes or whatever journal, I do not take it at 100 percent face value at all times.

Mr. STEINBERG. What would be your view of the importance of the case manager concept in terms of making effective placement and followup with respect to employment?

Dr. WYANT. This has been, I think, the big gap since back in the days when I did my doctoral dissertation to the present. Once you graduate from that chapter 31 program—and I am one of those participants that went under chapters 31 and 34—once you receive that 2 months' check. The Department of Labor is supposed to pick you up and provide you services.

Well, as we have done with the DVOP program and the compensation list, that's fine, if you stay in the same regional office that has the compensation list and the Department of Labor can find you.

But under the case manager concept, you would not be considered rehabilitated. Your case would still be accountable to the case manager. Your case would still be open until placed.

The case manager, then, would work not only with the Department of Labor, but other private and nonprofit organizations.

As you know, both the VA and Department of Labor jointly fund the Blinded Veterans' Association for carrying out a field service and employment program to do this very same job presently.

And I think that this type of coordination is what will make the case manager concept work.

Mr. STEINBERG. In terms of your recommendations to avoid duplication, would you, for the record, provide us with your view of what kind of responsibilities the case manager should have specifically with respect to job development and employment assistance and also, for the record, give us an indication of what training and qualifications you believe the case manager should have in that particular regard?

Dr. WYANT. I would love to.

[Subsequently, the Labor Department submitted the following information:]

In defining the job development and placement responsibilities of chapter 31 case managers, geography must be given careful consideration. The VA Regional Office system presently has only one regional office per State, except in more populous States such as New York, Pennsylvania, Texas, and California. The degree to which the case manager may assume job development and placement duties will, therefore, somewhat depend upon whether the VA will outstation the managers or provide for significant travel. The success of a job developer, particularly one who works with hard to place persons, is directly related to the developer's familiarity with local labor market conditions and employers. It is highly desirable for the job developer to be personally acquainted with the employer or the company's personnel manager. Such familiarity will be relatively easy to develop in the community in which the VA Regional Office is located, but will be difficult in outlying areas. Consideration must be given to defining the VA's role in employment. As indicated in our testimony presented before the Committee on February 29th, while the Department believes that the case manager concept is sound, we believe that the new placement authority proposed to be granted to the VA should not allow the evolution of a labor exchange, with employers placing job orders with the VA. Such a labor exchange would duplicate services already provided by State Employment Security Agencies (SESA's), resulting in two federally funded programs in direct competition for job orders.

Based upon the above considerations, we believe that the VA and the Department should closely examine those areas where increased coordination of our services could meet the intent of the proposed legislation, and based upon such an assessment, VA will be better able to define the role of the case manager in direct job development and placement. Specific agreements between the VA and SESA in each State could develop useful working relationships to place chapter 31 veterans. These agreements are already discussed in detail in the VA-DOL agreement of understanding signed by the Administrator of Veterans' Affairs and the Secretary of Labor last December.

Once the responsibilities of the case manager are defined, it is easier to identify the skill level and training needed. First, and most importantly, case managers must become familiar with the labor market, occupations with high demand for workers, and with a surplus of workers, as well as area trends. The case manager should be trained in employer relations, maintenance of employer files, and job structuring and modification. Second, the case manager should become highly knowledgeable of both SESA and Comprehensive Employment and Training Act (CETA) operations, since many times he or she will be dependent upon these delivery systems for services.

Mr. STEINBERG. You described earlier the desirability, from your standpoint, of providing for Labor Department participation in the provision in the amendment that deals with personnel training.

Could you, again for the record, give us a description of the particular contributions that you think the Labor Department would be able to make to those personnel training programs?

Dr. WYANT. I would be glad to.

[Subsequently, the Labor Department submitted the following information:]

The DOL, through its delivery systems, has had many years experience in developing and monitoring employee reimbursement contracts under a variety of on-the-job training (OJT) programs. DOL is therefore able to assist the VA in the design of its program and program regulations which would: (a) control abuse of the reimbursement by employers and (b) create a program which would not unduly burden the employer, the VA or the veteran with unnecessary administrative red tape which might otherwise become a disincentive to the implementation of such a program.

Mr. STEINBERG. Thank you. What coordination would you see as desirable between the VA and the Labor Department insofar as the proposal in both the administration bill and the amendment is concerned that would give the VA authority to make payments to employers to encourage them to provide OJT and employment opportunities to chapter 31 graduates?

Dr. WYANT. I am going to have to look at that in a little more detail, with staff. As you know, there is a bill pending in the Senate, S. 1872 I believe—just for regular veterans, in which the VA would be involved in on-the-job training programs with an employer reimbursement.

We are looking at this very carefully because we feel that there are already some on-the-job training programs within the Labor Department, and we are not sure that we have coordinated these programs fully.

And, also, if we coordinate the present VA/OJT program with the targeted job tax credit, both the disabled veteran and the employer are getting some financial incentive. And, perhaps, the same could be true with linking our existing on-the-job training programs.

I think there is room for closer coordination and discussion in coming up with a sound strategy and plan.

Mr. STEINBERG. We would appreciate it if you would look at that and give us further response for the record.

[Subsequently, the Labor Department submitted the following information:]

Since employment and job development are important features of the new chapter 31 design, DOL may provide training in a variety of areas including employer relations, labor market information, job structure and job modification and OJT program development. DOL can also provide training in all of the Department's program areas, including the SESA and CETA systems, the Targeted Jobs Tax Credit program, Reemployment Rights, and Affirmative Action for disabled and Vietnam-era veterans.

Mr. STEINBERG. In your testimony, you state your concerns that new section 1508(f) permits a service-connected disabled veteran who does not have a serious employment handicap to receive the same comprehensive services that would be afforded the more seriously disabled veteran and that this provision mandates VA placement activities for these veterans who, you imply, perhaps do not need those services.

It is our reading of the provision that such services are to be provided if the veteran requests them and if the Administrator determines them to be necessary to accomplish the purposes of the chapter.

It is our view, therefore, that we have not mandated placement services where they would not be appropriate or necessary.

Perhaps, you could take another look at that and tell us if you agree with us.

Dr. WYANT. Fine.

[Subsequently, the Labor Department submitted the following information:]

As I said in my testimony, this provision appears to be too broad. Our concern is with possible duplication by the creation of a labor exchange by the VA of those services and activities already provided by SESAs and other DOL funded programs.

Mr. STEINBERG. Those are all the questions we have. We appreciate your presence here and, again, express our regret that the Chairman was tied up in the series of rollcalls that is currently going forward on the floor.

Thank you.

Dr. WYANT. Thank you. I will probably get my chance again on Tuesday at the Oversight Hearing. Thank you very much for allowing me to appear before the committee.

Mr. STEINBERG. We look forward to seeing you there.

[The prepared statement of Dr. Wyant follows:]

PREPARED
STATEMENT OF DENNIS R. WYANT
DEPUTY ASSISTANT SECRETARY OF LABOR
FOR VETERANS' AFFAIRS
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

February 28, 1980

Mr. Chairman, it is a pleasure to testify before this Committee today on behalf of the Department of Labor and on a bill that proposes to bring rehabilitation out of the 40's and plunge it into the '80's.

I first came to Washington in 1973 while I was doing my doctorial dissertation on the job search techniques for blinded veterans of the Vietnam era, and then served as Staff Coordinator to the Committee on Disabled Veterans for the President's Committee on Employment of the Handicapped. I also served as Chief of Economics and Employment Concerns for the White House Conference on Handicapped Individuals. Most recently, before taking my current position in the Labor Department, I was Special Assistant to Max Cleland, Administrator of Veterans' Affairs. Two of my primary responsibilities were in the areas of disabled veterans and employment. During these brief 7 years in Washington, I have observed that there is a significant gap between the rehabilitation of disabled veterans and placement of these veterans in suitable, gainful employment.

Mr. Chairman, you have asked me to comment on the proposed Amendment 1661 to S. 1188, the "Disabled Veterans Rehabilitation Act of 1980," as well as on the recommendations made in the Veterans Administration's (VA's) September 26, 1978, "Study of the Provisions for Veterans Vocational Rehabilitation" and the VA's October 5, 1979, "Summary Report of the Vocational Rehabilitation Program Evaluation." In my capacity as Deputy Assistant Secretary of Labor for Veterans Employment and speaking on behalf of the Department of Labor, I will limit my comments to those provisions and recommendations that pertain to job development, placement and placement followup services.

Both the 1978 study and the 1979 report recommend that the VA be given authority for the first time to provide placement services to its vocational rehabilitation participants. While the Department believes that greater emphasis must be placed on linking vocational rehabilitation with placement services, the key to accomplishing this is not duplication of the experience, mechanisms or resources now in the Department of Labor, but rather the establishment of effective working relationships between the agencies to maximize each one's expertise to help disabled veterans obtain jobs. We believe that the disabled veteran receiving vocational rehabilitation services would be best served by insuring more effective coordination of the evaluative, employability development, training, placement and post-placement functions. VA's part of this task can effectively be accomplished by utilizing a single counselor functioning as a "case manager." The case manager is most likely the best qualified to coordinate the veteran's rehabilitation plan. The Labor Department is best qualified to capitalize on the on-going contacts with employers and well-developed techniques which it has to facilitate the placement process.

Mr. Chairman, Sweden has an excellent reputation for providing comprehensive and productive rehabilitation services to their handicapped. Two years ago I had the good fortune to receive a fellowship to study the employment concerns of handicapped individuals in that country. The VA study's findings support the primary method used for rehabilitation of handicapped individuals in Sweden -- the case manager approach. This concept is sound, as it follows the needs of an individual through the entire rehabilitation process, not just in preparing for the world of work but also for independent living. The case manager has a unique insight into the particular needs of the individual for total rehabilitation.

The VA's 1979 Evaluation Report makes similar recommendations. I might point out, Mr. Chairman, that I cannot agree with the report's conclusion that VA needs to enter into the area of placement simply because of perceived weaknesses in job programs administered through the Department of Labor. Contrary to the report's conclusions, I believe we have had some major program successes over the last several years, particularly in serving disabled veterans. I think there can be little doubt that the Disabled Veterans Outreach Program (DVOP), for example, has had a significant impact on the quality of services provided for disabled veterans. The case for building placement functions into Chapter 31 stands on the need for a comprehensive approach to the rehabilitation process through the case manager concept. While sound in theory, I must again point out that placement function requires an extensive network of various functions and players which are within the Department of Labor. In turn, those functions can be strengthened by developing cooperative initiatives between VA and the Department of Labor. I will touch on some of these areas later in my testimony.

Mr. Chairman, in reviewing the amendment I was pleased to see that the language proposes to focus Chapter 31 services on those disabled veterans with serious employment handicaps. I believe that this emphasis is in keeping with the case manager concept. I do, however, have some concern about Section 1508(f) of the amendment, which permits a disabled veteran who is found not to have a serious employment handicap, whether enrolled under Chapter 34 or Chapter 31, to receive the same comprehensive services that would be afforded the more seriously disabled. This provision appears to be too broad. It mandates VA placement activities for veterans for whom there is no compelling need for VA to serve. We believe that this provision would duplicate those services and activities already provided by State Employment Security Agencies, and other Department of Labor funded programs. By the same token, those with serious employment/handicaps enrolled in Chapter 34 training might be better served by including in S. 1188 that they be deemed as enrolled in and eligible for Chapter 31. As you know, Mr. Chairman, the election of Chapter 34 enrollment by disabled veterans otherwise eligible for vocational rehabilitation under Chapter 31 -- because of the difference in the educational assistance allowance -- results in only 1 out of 5 disabled veterans trained under Chapter 31. I believe that our proposed inter-eligibility for Chapters 31 and 34 enrollees would be a sounder approach to meeting the needs of these disabled veterans than the approach of the proposed section 1508(f).

Mr. Chairman, we are pleased to note that the Amendment provides for the VA and the Department of Labor to cooperate in developing and establishing on-the-job training programs for disabled veterans. The Department of Labor is ready to work with the VA to help it develop regulations authorizing payment to employers for on-the-job training in individual instances when the Administrator determines such payment is necessary to obtain the training or to begin employment. In the tight labor market of recent years, the VA's on-the-job training programs have suffered from a lack of employer incentive. By comparison, reimbursements to employers for the cost of training have been a feature of many of the Department of Labor's on-the-job training programs for a number of years. We are certainly ready to share our experience in such programs with the VA, at the same time, cautioning that we must coordinate our efforts.

I would like to call the Committee's attention to two provisions of the Amendment. Section 1519(c) of the Amendment calls for coordination between the Veterans Administration and the Rehabilitation Services Administration in training personnel in areas of mutal program concern. I believe that planning and coordination of training in the placement area should be coordinated with the Department of Labor, since by legislation we have responsibility for placement of veterans, including disabled veterans. In the same way, Section 1521 lists the members of the Vocational Rehabilitation Committee. I believe the Secretary of Labor or his designee would contribute substantially to the activities of the Committee as an ex-officio member.

In addition, Mr. Chairman, a review of the specific services available under the proposed new vocational rehabilitation program suggests closer attention needs to be payed to promoting job and equipment modifications necessary for successful rehabilitation, including re-engineering of equipment and the restructuring of job duties.

Coordination of services will also be beneficial to the VA. The State Employment Security Agencies, for example, maintain records of contacts with both major and minor market employers. They have had some good experiences in participating in the placement of the disabled, especially in the area of dealing with employers. In FY 1979, State Employment Security Agencies placed approximately 45,000 disabled veterans. We feel that at this time, with the number of organizations and individuals doing special job development, that all concerned agencies should make an effort to work together. Some system of coordinating job development efforts needs to be maintained. We all are in danger of losing employer support if there are too many organizations approaching the same employer.

It is the Labor Department that has labor market information, employer contacts, an extensive employment research network, 2,600 Job Service offices and 473 Comprehensive Employment and Training Act (CETA) prime sponsors funding thousands of community-based programs. We pledge to work in concert with the VA in putting our Nation's disabled veterans back to work.

Mr. STEINBERG. Our next witness is Edward A. Densmore, Deputy Director, Human Resources Division, General Accounting Office, accompanied by David Zylks, Team Director; Robert Mikami, Team Leader; and Darrell Papin, Assistant Team Leader.

TESTIMONY OF EDWARD A. DENSMORE, DEPUTY DIRECTOR, HUMAN RESOURCES DIVISION, GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY DAVID ZYLKS, TEAM DIRECTOR; ROBERT MIKAMI, TEAM LEADER; AND DARRELL PAPIN, ASSISTANT TEAM LEADER

Mr. DENSMORE. On my right is Mr. Dave Zylks from our Human Resources Division in Washington, D.C., and on my left are Robert Mikami and Darrell Papin from our Los Angeles regional office, who worked on the GAO report to which you have referred.

I will briefly cover the highlights of that report and then address Senator Cranston's amendment.

We could not make a comprehensive evaluation of the effectiveness of VA's vocational rehabilitation program in achieving its congressionally mandated objective because of a lack of data in VA's records.

However, our analysis of available data showed that the program was much less effective than it could have been because of several factors.

The most significant factor contributing to the limited effectiveness of the program is a general lack of results-oriented program management at the central office level.

Program responsibilities are fragmented. The program lacks adequate goals and objectives and there is an inadequate management information system.

The effectiveness of the vocational rehabilitation program has been affected by competition from other VA benefits; the GI bill and disability compensation.

We identified problems in VA's outreach and enrollment practices and in the eligibility criteria for the program. We believe lenient entry criteria have allowed veterans into the program who do not need vocational rehabilitation.

We also found that VA has not made a concerted effort to provide service-disabled veterans, particularly those with severe employment handicaps, with a comprehensive range of rehabilitation services.

The program has tended to function more as a financial assistance program, rather than the vocational rehabilitation program intended by the Congress.

We made a number of recommendations to the Administrator of Veterans' Affairs which should improve the program, and we made two recommendations to the Congress.

With regard to Senator Cranston's proposed amendment, we believe that many of the provisions of the amendment are an improvement over the administration bill, and we support them.

The proposed amendment would closely align major elements of VA's vocational rehabilitation program to the Federal-State program administered by the Rehabilitation Services Administration of HEW.

The amendment also addresses in varying degrees several of the issues we noted in our review, such as the need to clarify VA's authority to provide comprehensive vocational rehabilitation services and expand the statutory purpose of vocational rehabilitation beyond employability to include attainment of gainful employment, use of the case manager concept, use of individualized rehabilitation plans, and the need for comprehensive evaluations of disabled veterans' rehabilitation and work potential for use in adjudicating such veterans' claims for 100 percent individually unemployable ratings.

However, the extent to which these provisions will ameliorate or solve some of the problems within the chapter 31 program will depend, in large part, on the manner in which VA implements the legislative changes.

As noted in our report, we believe the major underlying cause of the limited effectiveness of the vocational rehabilitation program is a lack of strong central management and accountability for program results at the central office level, rather than inadequacies or defects in the existing legislation.

Regardless of what legislative changes may be made to chapter 31, improved program management must come from within VA.

We have a few reservations about certain provisions of the proposed amendment. Specifically, the amendment would liberalize the eligibility criteria to make all service-disabled veterans eligible for chapter 31 benefits by deleting the requirement that the veteran be determined to be in need of vocational rehabilitation because of an employment handicap caused by the service-connected disability.

This is a major redirection of chapter 31, from its traditional mission-oriented objective of restoring lost employability, to an "entitlement" program for those service-disabled veterans whose disabilities do not limit or impair their ability to prepare for or obtain or retain employment.

We believe the prognam should retain the requirement that veterans be determined to be in need of vocational rehabilitation because of an employment handicap.

In addition, the amendment would expand the program to include the provision of services to veterans whose disabilities are so severe that a vocational objective is not feasible. This provision would provide a program of independent living services to these individuals which is already available from VA's Department of Medicine and Surgery under chapter 17 of title 38 of the U.S. Code and, to a limited extent, from HEW's Rehabilitation Services Administration under the Rehabilitation Act of 1973, as amended.

In fact, the provision would authorize VA to buy these independent living services through cost reimbursable contracts with DM&S and the Federal-State RSA program.

The net effect of this provision could be to attract veterans away from the chapter 17 and Federal-State RSA programs by making them eligible for the chapter 31 monthly subsistence allowance.

Moreover, because this provision is geared to those veterans whose disabilities are so severe that a vocational objective is not feasible, we would expect that most, if not all, of them will already be receiving full disability compensation and that a substantial number of them will also be undergoing long-term institutionalization in VA hospitals, nursing homes, domiciliaries and nursing homes under contract with VA, in which the veterans' subsistence needs are already being provided for by VA.

We believe that chapter 31 program eligibility criteria should not be expanded to include veterans for whom a vocational objective is not feasible, nor should program services be expanded to duplicate or overlap those already available under chapter 17 and the Rehabilitation Act of 1973, as amended.

Finally, the provision would result in duplicate payments for subsistence to incarcerated veterans and to veterans in VA hospitals, domiciliaries, nursing homes, and contract nursing homes in which the subsistence needs are already being provided for by various Federal, State, and local prison systems or by VA.

We do not believe veterans in these situations should receive additional subsistence allowances under chapter 31 when their subsistence needs are already being taken care of by other programs.

Moreover, the philosophy underlying duplicate payments seems inconsistent with that underlying sections 1508(c)(1) and 1514(a) of the proposed amendment.

Section 1508(c)(1) authorizes the Administrator to reduce the subsistence allowance of any veteran who receives wages or other income from an employer while participating in an on-the-job training program under chapter 31.

Section 1514(a) provides that no subsistence allowance will be paid to active military duty personnel participating in the chapter 31 program while hospitalized pending discharge presumably on the grounds that the individual subsistence needs are already being met by the military hospital and that the chapter 31 subsistence allowance would therefore constitute a duplicate payment.

This concludes a summary of my statement, Mr. Steinberg. We will be happy to respond to any questions you may have.

Mr. **Steinberg**. Thank you very much. We appreciate your summarizing and giving us the essence of your testimony.

The committee is very grateful to the GAO for all of the work that was invested in getting this study done and making the report available in a timely fashion so that these hearings could have the full benefit of it.

We thank you and all of your field investigators for achieving that for us.

We expect that that report and its general conclusions of the need for stronger program management and legislative changes to revitalize and improve the existing program will be of very substantial assistance to us as we move forward in considering the pending legislation.

We are scheduled to go to markup on the bill within the next month, so we look forward to continuing to work with you to receive your recommendations and suggestions on the legislation.

Do you have any general comments that you would like to make this morning—and perhaps you would like to amplify them further for the record—on the Administration testimony thus far?

Mr. **Densmore**. We generally agree with most of what we heard, particularly the discussion regarding the need for improved coordination and better management information. Also, there was an excellent suggestion from HEW with regard to their being able to provide some input and be of assistance to VA on the type of data they need and how it could be collected.

Mr. STEINBERG. And providing for that sort of a coordinated effort between you, the VA and the Rehabilitation Services Administration is fully satisfactory to you and you feel you can go forward with that?

Mr. DENSMORE. Yes, it is an excellent idea. I believe that we all have ideas and suggestions that could help VA develop an effective data system.

And we would be very happy to participate with them. We feel that part of our job is to cooperate and provide assistance to the executive agencies to the extent that we can, and we are always willing and happy to do that.

The other point that I would like to mention——

Mr. STEINBERG. Let me just interject at this point. You recall that we focused on a 90-day report. We would appreciate it if you would stay in touch with the committee with respect to the progress that is being made toward seeing if we can agree upon some new data system modifications that would be helpful.

Sorry to interrupt you. Please, continue.

Mr. DENSMORE. The other point I would like to make is that HEW and Labor discussed some of the services and programs and activities that currently exist.

I think it is important that there be a real understanding between VA, Labor, and HEW concerning the services that currently exist what can be made available to the Veterans' Administration with regard to this particular program, and that every effort be made to prevent duplication and overlap of the type of services that are available.

This ties in very closely with the point of coordination; the more overlap and duplication you have, the more difficult the coordination becomes and the more problems that arise.

Mr. ZYLKS. In that regard, Mr. Steinberg, we believe that the case manager concept would be most helpful, if properly implemented.

Mr. STEINBERG. And would support the specification of that concept in the legislation itself?

Mr. ZYLKS. Absolutely. In fact, we should recognize now that VA has already issued certain guidelines with respect to case managers. However, we are not sure at this point, whether VA's implementation of the case manager concept is fully consistent with what you may have in mind in the legislation.

Rather, according to its guidelines, VA plans to have a case manager within DVB, and another case manager on the D.M. & S. side, and so on, rather than a single case manager who would pick up the chapter 31 case from the point of application and be accountable for the case to the point at which the veteran is fully satisfied and functioning in a job.

Mr. STEINBERG. We will certainly take a look at that.

In light of the recommendations that you have made in your report and your testimony for improved management in the chapter 31 program and the VA's undertaking to implement a number of them administratively, it would be very helpful to the Committee if you were in, let's say, 18 months to do a followup study to see whether or not the VA's attempts at management improvements, in accordance with your recommendations and their general agreements, have actually been implemented.

Would that be acceptable?

Mr. DENSMORE. It is always an excellent idea to follow up on recommendations. I think that it is an excellent idea for the agencies to follow up on their programs, to follow up when they have identified problems.

And we, also, should do the same thing for the benefit of the Congress to provide it with additional input for carrying out its oversight responsibilities.

Mr. STEINBERG. That would be very helpful. If you would try to plug that into your manpower planning program so that we could count on the resources being available for that, it would be very helpful.

Mr. DENSMORE. Yes, sir.

Mr. STEINBERG. On page 4 of your prepared statement, you mention that the VA has problems in its management of the VR program because it manages its work by function, rather than by program.

It would be helpful if you could briefly illustrate for us the difference between function and program, in that respect, and if you would give a few specific examples as to how the VA should improve its management of the chapter 31 program.

And, then, perhaps, you might want to amplify further on that, for the record. But if you would give us a brief response now, that would be very helpful.

Mr. ZYLKS. Yes. To preface my comments, however, I would like to point out that many of VA's programs are of an "entitlement" nature—such as chapter 34 GI Bill educational assistance and guaranteed home loans—which veterans may receive regardless of need or any showing that the programs are having some predetermined impact on the beneficiaries. In these types of programs, "management-by-function" is certainly an acceptable approach.

Only on programs which have specific objectives—mission-oriented programs—is there a need to change to a "management by objective" approach.

To illustrate, you will notice that VA is organized, essentially, on a functional basis. The various organizational units within VA seem to be based on the function performed—such as adjudication, counseling, social work, dietetic services, and rehabilitation medicine—rather than on the basis of any given program. In fact, the functions performed by these units may cut across various program lines. Adjudication, for example, will handle applications for chapter 37 home loans, chapter 34 educational assistance, chapter 31 vocational rehabilitation, chapter 17 medical and domiciliary care, and so forth. Conversely, various functional units within both DVB and D.M. & D. play a role in the chapter 31 vocational rehabilitation program.

Because these various units are organized and structured around the functions they perform, they are managed and judged on the basis of these functions rather than on the basis of anticipated outcomes of specific programs. Consequently, the goals and objectives established for these units, as well as VA's data system, are geared toward these functions and processes rather than outcomes or impact on participants.

We believe this point is adequately covered in our report, and we have no further information to submit for the record. It is essentially a distinction between an entitlement program, where functional management is appropriate, versus a program that has a specific objective where you should be managing by objective.

Mr. **Steinberg**. I believe the VA is represented here still. Am I right that there is someone here from VA?

Dr. **Williams**. Yes.

Mr. **Steinberg**. Would you please try to give us a comment for the record on that particular recommendation and the testimony that Mr. Zylks just gave on that?

Dr. **Williams**. Yes.

Mr. **Steinberg**. That would be very helpful. Thank you.

[Subsequently, the Veterans' Administration submitted the following information:]

We are considering a new systems approach which would provide a far greater degree of central management control than presently exists. Creation of an appropriate environment for comprehensive service delivery was a major concern of the Rehabilitation Task Force. In order to successfully integrate rehabilitation philosophy and practice and to provide a vehicle for establishing rehabilitation policy, program development, and implementation, the Task Force addressed the generation of an organizational mechanism for implementing the concept of comprehensive rehabilitation. DVB and DM&S concur in the approach recommended by the Task Force, and are studying ways in which that approach should be implemented. The recommendations of both Departments will be submitted to the Administrator in the near future.

Mr. **Steinberg**. Could you comment on the extent to which the proposed new section 1506(d) in Senator Cranston's amendment, which would require the designation of a VA employee to be responsible for the management and followup of services and assistance to each veteran who has a serious employment handicap, would be helpful in bringing about a specific focus of resources on the more seriously disabled veteran?

Mr. **Zylks**. Yes. We believe that the case manager concept, which is outlined here, is critical to accountability.

At the present time, the veteran is passed from pillar to post, so to speak, from adjudication to the counseling psychologist to the VRS—vocational rehabilitation specialist. As they are passed along through each stage of the process, there is no single person or organizational entity that really oversees the entire program to make sure that everything is pulled together,

For example, if services are prescribed by the counseling psychologist, there is no one to see that those services are, in fact, provided when the veteran is passed along to the VRS.

However, if you have a single person or organizational entity responsible for the veteran from point of application until satisfactory placement, then you can hold someone accountable for whether they are or are not performing in a satisfactory manner and whether they are or are not meeting the needs of that veteran.

Mr. **Steinberg**. Specifically, do you think that the case manager concept as included in the amendment, as well as the individualized written plan and the mandatory counseling services, for those with serious employment handicaps, will help bring about a better focus of the use of the VA's chapter 31 resources on those individuals?

Mr. **Zylks**. We were very pleased to see that in the legislation, the way you have it set up.

Mr. **Steinberg**. Thank you. On page 24, you express reservations about the provisions in the amendment to expand chapter 31 to include the provision of independent living services to those who are so severely disabled that a vocational objective is not feasible.

And you indicate, in support of that objection, that the VA's Department of Medicine and Surgery and programs under the Rehabilitation Act of 1973 already provide programs of independent living services.

With respect to D.M. & S. in the VA, what data do you have available regarding whether D.M. & S. is adequately meeting the needs of severely disabled veterans for independent living services?

Mr. **Zylks**. We did not actually make an assessment of the extent to which D.M. & S. is adequately meeting those needs.

Mr. **Densmore**. This type of determination was not part of our review. What we are trying to point out is that these services are already authorized under the chapter 17 program, as well as the HEW/RSA program.

Chapter 31, as it stands now, is strictly a vocational rehabilitation program. Our feeling is that—and it ties in to what we said before—there should be a good understanding between VA and Labor and HEW with regard to the different programs and services that are available.

Within VA, the types of independent living services that would be authorized by amendment No. 1661, are already authorized under chapter 17. We would emphasize that the Congress consider carefully whether or not it would want to duplicate or even overlap so that there is some confusion with regard to where a particular type of service or activity could or should be obtained.

Mr. **Steinberg**. Well, of course, one of the principal questions, when you look at potential overlap, has to be whether the services are now being provided in the area that you are looking at, in terms of that duplication.

It is the committee's sense that the Department of Medicine and Surgery is, at present, not doing an adequate job in this particular area.

It is also the committee's sense—and this, I think, becomes clear in the context of some of the later testimony we will hear this morning—that a fragmented type of program has built into it, no matter how well intentioned the coordination is, some very serious problems in terms of its success.

And when you are dealing particularly with extraordinarily disabled individuals who are with a chapter 31 counselor, to suggest that that individual ought to rely on either the Rehabilitation Act program or some hypothetical services from D.M. & S. would appear to us to not take the best advantage that we possibly could of the fact that we have an individual whom we may be able to help, with present know-how and technology, in the system, a person who is deserving of all of our efforts, obviously, in terms of their service-connected condition, and that relying on either a routine kind of referral or on that individual being successful in getting into these other systems might not be the best way to proceed.

Mr. **Zylks**. In that regard, we would like to make clear that we are not in opposition to independent living services, per se.

In fact, we believe that, as the veteran goes through the extended evaluation phase, which the committee is providing for in the legislation, to determine whether a vocational objective is feasible or not, clearly, in that instance, you may need to provide independent living services.

Mr. **Steinberg**. We are talking here just about the independent living services where no vocational goal was determined to be feasible.

Mr. **Zylks**. I understand. That is the only point on which we have any concern; that is, where you have already gone beyond all of these other types of assistance and determined that they are not capable of a vocational objective type of program, chapter 17 has been the place where those services have been traditionally authorized.

In essence, you are, by legislation, going to give DVB authority to contract with D.M. & S. for those same services.

It appears that you are placing an additional responsibility on a DVB program that has not been there previously because D.M. & S. may not have adequately carried out its chapter 17 responsibilities, and because of poor coordination between DVB and D.M. & S. on chapter 31 vocational rehabilitation cases.

The coordination problem we noted is that a person who is in the vocational track is not getting adequate services from D.M. & S. In this particular situation, there is a need for coordination, and a case manager should, in fact, see that those services are provided.

We have no objection to that, and we concur wholeheartedly with that thrust—that portion of your legislation which deals with this problem.

Mr. **Steinberg**. I guess, under the Rehabilitation Act you have provision made for both vocational objective training and for independent living services, which would be available to a veteran for a non-service-connected disability.

But a veteran with the same disability which is service connected might have difficulty getting into the State VR program since their general priorities are to refer those individuals over to chapter 31.

What the committee was trying to do with the independent living pilot program, for those as to whom it has been determined that a vocational goal is not feasible, was to assure that they, to the extent that resources were available, would have available to them the same kinds of independent living services that a non-service-connected veteran would have under the Rehabilitation Act and, at the same time, to assure that we take advantage of this case management concept that we would have built into the process so carefully.

We would foresee that such an individual, perhaps at the end of 18 months, or 2 years, in the very difficult case of extended evaluation, would have already received certain independent living services, as you point out, from the VA, through the Department of Veterans Benefits or perhaps through the Department of Medicine and Surgery under a closely watched referral.

That individual would then be at a point where we think it would be very desirable to see whether, for a limited period, and the bill provides for 24 months, those services should be continued rather than to sort of drop the individual at that point.

In view of that, I don't think we should go on on that issue, but perhaps you might want to rethink your comments on that and see if you have any amplification to provide, for the record, in view of the clarification that we have provided this morning.

Mr. Zylks. Fine.

[Subsequently, the General Accounting Office submitted the following information:]

GAO fully supports the concept that all chapter 31 participants pursuing a vocational objective should be provided with any independent living services which they may need to achieve that objective. Such services may be provided at any point during the vocational rehabilitation process—during the extended evaluation phase, the training phase, and during post-training adjustment to employment. We also agree that a chapter 31 case manager should be held accountable for seeing that needed independent living services are provided to these veterans whether through DM&S, HEW's rehabilitation program, or through other sources. However, we do not agree with the legislative proposal to allow persons for whom it has been determined that a vocational goal is not feasible to enroll under the chapter 31 program for the express purpose of receiving independent living services to which they are already entitled under chapter 17.

As testified to by subsequent witnesses, service-disabled veterans for whom vocational objectives are not feasible may not be receiving adequate independent living services from DM&S under chapter 17 at the present time; however, we do not believe interjecting a DVB chapter 31 case manager between DM&S and such veterans is the appropriate way to address this problem. Instead, the Committee should take whatever corrective action is necessary to ensure that the chapter 17 program does adequately meet the needs of service-disabled veterans. One such action could be implementation of the case manager concept and individualized rehabilitation plans for independent living services within the chapter 17 program.

Mr. Steinberg. Finally, on page 9 of your testimony, you suggest that chapter 31 enrollees be allowed to choose monetary benefits equal to chapter 34, with the veteran paying the cost of tuition and fees or receiving chapter 31 subsistence payments.

For the record, could you review new section 1504 as proposed in the amendment and give us your recommendations as to what services and assistance specified in that section should also be made available through section 1508(f) to those who might choose the option of using chapter 34 type assistance under chapter 31.

Mr. Densmore. Yes, sir.

[Subsequently, the General Accounting Office submitted the following information:]

We believe that service-disabled veterans pursuing vocational rehabilitation under chapter 31 should receive all special services needed to help them achieve their vocational goals, regardless of whether they choose (1) financial assistance equivalent to that available under chapter 34 and pay their own educational expenses, or (2) the existing chapter 31-type educational assistance. If it is the committee's intent that veterans enrolling under the new section 1508(f) be counted as chapter 31 enrollees (as indicated in subsequent comments by Mr. Steinberg), we believe this should be clearly stated in this section. With this clarification, such veterans, as chapter 31 enrollees, would be eligible for any and all services specified in section 1504 which may be needed to help them achieve their vocational rehabilitation goals.

Mr. Zylks. As we read amendment No. 1661, we gathered that they would actually enroll under chapter 34.

Mr. Steinberg. Our contemplation is exactly the opposite. They would enroll under chapter 31 and the assistance to which they would be entitled, meaning GI bill payments would be the same as they could receive under chapter 34.

But they would be chapter 31 enrollees.

Mr. ZYLKS. That is exactly what we recommended, so we are, then, consistent.

Mr. STEINBERG. We are in agreement on that.

Mr. ZYLKS. Right.

Mr. STEINBERG. Those are all the questions that Senator Cranston had for you this morning. Again, we ask you to get your responses, for the record, please, back by a week from Friday.

We thank you, again, for the report, and ask you to make available the additional copies this afternoon so that they can be available to the public as quickly as possible. Thank you very much.

Mr. DENSMORE. Thank you.

[The prepared statement of Mr. Densmore follows:]

PREPARED STATEMENT OF EDWARD A. DENSMORE
DEPUTY DIRECTOR, HUMAN RESOURCES DIVISION
UNITED STATES GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Committee, your March 1, 1979, letter, requested that we review the Veterans Administration's (VA) vocational rehabilitation program to determine whether revision of the program's authorizing legislation (chapter 31, title 38, U.S. Code) would correct major problems, as claimed by VA, or whether other actions should be taken to improve the effectiveness of the program. We are pleased to be here today to discuss the results of that review contained in our report dated February 24, 1980. 1/

As you requested, we reviewed the program at three VA regional offices: Los Angeles, Denver, and Cleveland. These offices were selected to comply with your request that the regional offices be geographically separated and represent

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1/"New Legislation and Stronger Program Management Needed to Improve Effectiveness of VA's Vocational Rehabilitation Program" (HRD-80-47, Feb. 24, 1980).

areas with differing levels of school tuition. To review VA's service to disabled veterans and the effectiveness of its vocational rehabilitation program and to analyze program processing times we selected two samples of veterans' case files from each of the three VA regional offices--a total of 288 cases of veterans who completed or discontinued their training programs and 356 cases of veterans whose applications were processed in 1978. We also reviewed two recent VA studies of the vocational rehabilitation program: (1) a September 1978 study 1/ and (2) a July 1979 program evaluation which included a 1978 nationwide survey of service-disabled Vietnam Era veterans. 2/

VA's vocational rehabilitation program was established in 1943 by Public Law 78-16. The program's purpose is to restore employability lost because of a handicap due to a service-connected disability. The statutory definition of "vocational rehabilitation" includes training, educational and vocational counseling, all appropriate individualized tutorial assistance, and other necessary incidental services required to accomplish this purpose.

Under chapter 31 of title 38, a veteran must meet several basic eligibility criteria--he or she must (1) have a compensable

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1/"A Study of the Provisions for Veterans Vocational Rehabilitation, Chapter 31, Title 38, United States Code."

2/"Vocational Rehabilitation--A Program Evaluation--Summary Report."

disability arising out of service during or after World War II, (2) apply for program benefits within 9 years of his or her date of discharge (with extensions being granted in certain cases), (3) need training as determined by VA to restore lost employability caused by the disability, and (4) be or going to be discharged, released, or retired from service under other than dishonorable conditions.

It should be noted that the mere existence of a compensable service-connected disability does not necessarily mean that a veteran has lost employability, or needs the special rehabilitative training and services.

Program expenditures for fiscal years 1978, 1979, and 1980 will average about $100 million annually.

We could not make a comprehensive evaluation of the effectiveness of VA's program in achieving its congressionally mandated objective because of a lack of data in VA's records. However, our analysis of available data showed that the program was much less effective than it could have been because of several factors.

LACK OF STRONG CENTRAL MANAGEMENT AND ACCOUNTABILITY FOR PROGRAM RESULTS

The most significant factor contributing to the limited effectiveness of the program is a general lack of results-oriented program management at the central office level.

Program responsibilities are fragmented

First, program responsibilities are fragmented. VA's vocational rehabilitation process is complex and requires close coordination and integration of various services from a number of individuals and organizational units within VA and with other organizations. Although several VA organizational entities have various policy, implementation, and monitoring responsibilities under the program, there is no organizational unit or individual that can be held accountable for the entire program. This problem is further complicated because VA is highly decentralized with 58 regional offices across the Nation carrying out the day-to-day program operations.

The program lacks adequate goals and objectives

Second, the program lacks adequate goals and objectives. Because VA manages its work by function rather than by program, the goals and objectives established by VA for monitoring and evaluating regional office performance deal with broad functions and processes that cut across program lines rather than focusing on the intended results or outcomes of specific programs. While this management approach may be satisfactory for "entitlement-type" programs, we do not believe it provides adequate guidance and direction for managing and implementing "mission-oriented" programs, such as the rehabilitation program.

Historically, VA has considered veterans to be "rehabilitated" when they complete a predetermined training objective; however, VA has not established specific goals and objectives in terms of the numbers or percentages of program participants to be "rehabilitated" within a given time frame. We do not believe that merely completing a predetermined training objective is a valid criterion for measuring whether lost employability has been restored.

VA officials acknowledge that a better criterion would be the extent to which participants obtained and maintained substantial employment after completing the program, but believe the law does not authorize a VA rehabilitation program which includes employment.

Inadequate management information system

Third, the management information system is inadequate. Consistent with its management-by-function approach, VA's automated management information system (AMIS) focuses on accumulating and disseminating data on broad functions and processes rather than results-oriented data on specific programs. Again, this may be acceptable for entitlement-type programs but it does not provide an adequate basis for monitoring and managing mission-oriented programs such as vocational rehabilitation.

Also, AMIS is not designed to yield information needed to monitor or evaluate the results of a specific program.

VA study has recognized these problems

A July 1979 evaluation report by VA's Office of Planning and Program Evaluation stated that the organizational structure for delivering rehabilitation services is not appropriate for successfully managing field level activities and there has not been a clear focus of management review, responsibility, and accountability for administering the program. The study recommended that a focus of program management be established at the central office.

VA has established a Task Force on Rehabilitation to investigate and review the results and recommendations of the various VA studies of its rehabilitation program and develop an agencywide plan. One major area for consideration is program organization and administration. VA is also studying its management system to determine whether improvements are needed; however, we understand the study's statement of objectives does not specifically address the need for results-oriented data.

COMPETITION FROM OTHER VA BENEFITS

The effectiveness of the vocational rehabilitation program has been affected by competition from other VA benefits--the GI bill and disability compensation.

Financial considerations influence many veterans' choice between GI bill and vocational rehabilitation

We found that financial considerations influenced many veterans' choices between GI bill and vocational rehabilitation benefits. The GI bill pays the veteran directly a fixed monthly allowance to cover subsistence and educational expenses, while the rehabilitation program pays the veteran directly a fixed amount for subsistence and pays the training facility for all actual educational expenses, regardless of the cost.

Although the monthly allowances vary depending on whether the student is enrolled full- or part-time, the amount paid directly to the veteran is higher under the GI bill than under vocational rehabilitation for the same type of training. Accordingly, veterans who attend low-tuition facilities could realize more money in hand--about $70 each month for a single veteran attending full time--if they enrolled under the GI bill.

The following data on service-disabled Vietnam Era veterans training in the Nation's 10 lowest and 10 highest public school tuition States demonstrate the effect of this financial consideration. We found the percentage of service-disabled veterans enrolled in public schools under the GI bill to be significantly greater in States where tuition in public schools was low (78 percent) than in States where public school tuition was high (57 percent). Conversely, we found the percentage of veterans enrolled in public schools under the vocational rehabilitation program to be significantly lower in States with low-tuition public schools (22 percent) than in high-tuition States (33 percent). Furthermore, in response to a 1978 VA questionnaire, 15 percent of the service-disabled Vietnam Era veterans who trained under the GI bill rather than, or in addition to, the vocational rehabilitation program, stated they did so because, from a money standpoint, it was more advantageous for them.

Financial disincentives may cause many seriously disabled veterans to avoid employment after training

Financial disincentives can discourage certain veterans from accepting employment after training because they will lose large proportions of their disability compensation and other benefits.

VA assigns individually unemployable (IU) classifications to veterans with 60- to 90-percent disability ratings who are considered incapable of securing or holding jobs. These veterans are paid at the 100-percent disability level. By being employed, these veterans demonstrate that their condition has improved, and their high disability rating and resulting disability compensation payment and other benefits are no longer warranted. At the time of our fieldwork, a single veteran with a 100-percent disability rating or an IU classification received $809 a month compared to $450 for a 90-percent disability rating without an IU classification.

According to a recent VA study, as of November 1977, about 24,000 Vietnam Era veterans had IU classifications, about 40 percent of all veterans rated 60- to 90-percent disabled.

Given this situation, it is vital that the rating boards that make the decisions on individual unemployability have as much evidence as possible regarding whether the veteran could not find or hold a job. However, according to rating board chairmen in each regional office we visited, they lack information and many decisions are quite subjective.

VA has recognized these problems and proposed some corrective action

VA has recognized these problems and proposed solutions to some of them.

Regarding veterans' incentive to use GI bill benefits rather than vocational rehabilitation, VA has proposed amending chapter 34 to allow disabled veterans training under the regular GI bill, because it is financially advantageous to do so, to receive vocational rehabilitation services if they need such services and have an approved vocational rehabilitation plan.

We believe this approach has two problems. First, these veterans would not receive certain important rehabilitation services--such as personal adjustment and work adjustment training. Second, the two programs would be meshed in such a way that will make it difficult to monitor and review program operations.

A simpler, more effective solution would be to enroll disabled veterans under the chapter 31 rehabilitation program and allow them to choose (1) monetary benefits equal to the chapter 34 GI bill allowance, with the veterans paying their own tuition and other educational expenses; or (2) existing chapter 31 subsistence payments, with VA paying directly tuition costs and other educational expenses. Given this option, veterans needing rehabilitation services will not have a disincentive to train under the rehabilitation program.

Regarding disincentives to veterans classified as IU, VA's 1979 program evaluation proposed that disability compensation be reduced as additional income is earned through work, but the rate of reduction would be such that the veteran would always achieve a higher total income through any part-time or full-time job. We agree with this approach.

However, VA's proposal does not address the underlying problem of the subjectivity of IU ratings. We believe that veterans should be referred to rehabilitation counselors for a comprehensive diagnostic work evaluation before they are considered for an IU rating. We believe this would lessen the subjective nature of the IU rating process.

PROBLEMS IN OUTREACH AND ENROLLMENT PRACTICES

We also found problems in VA's outreach and enrollment practices.

VA is not contacting all potentially eligible veterans through outreach

VA procedures outline two methods to inform veterans about the rehabilitation program: (1) mail applications to all potentially eligible veterans when they are awarded disability compensation and then followup with a personal contact if they do not apply for the program, and (2) target the program on the most severely disabled, by counseling hospitalized veterans about the rehabilitation program.

New disability compensation awards

During calendar year 1978, the three VA regional offices visited made new disability compensation awards to about 7,000 veterans.

The regional office is supposed to send these veterans information about, and an application for, the rehabilitation program. At the same time, a special "tickler" code is supposed to be put into VA's data processing center in Hines, Illinois. If the veteran does not submit an application within 60 days, the data processing center is supposed to send a tickler card to the regional office instructing the regional office to initiate a "motivation" contact with the veteran by telephone or direct personal visit.

Statistics on VA's outreach effort were not available. Officials at neither the three regional offices nor the central office knew how many applications had been sent to veterans during 1978, how many tickler codes had been input to the data processing center, or how many of these veterans had applied for the program within the 60-day period.

VA officials estimated, however, that only about 10 to 15 percent apply for rehabilitation within the 60-day period. Accordingly, the three regional offices should have received tickler cards to contact and "motivate" most of the 7,000 veterans, but officials in the regional offices estimated that they had received only about 300 cards each.

VA's 1978 survey of Vietnam Era veterans also revealed that the outreach effort was not working. It indicated that 49 percent of the veterans did not receive an application and information about the rehabilitation program when they received their disability compensation awards and 62 percent were not contacted by VA 60 days after their award to encourage them to enroll.

Hospitalized veterans

VA's efforts to reach some of the more severely disabled veterans--those in VA medical centers--are also ineffective.

We found that counselors did not systematically inform veterans about vocational rehabilitation in any of the 12 VA medical centers located in our sample regional offices. In 7 of the 12 medical centers psychologists did not systematically initiate vocational counseling and had referred an average of less than one veteran a month to counselors during calendar year 1978.

VA's 1978 survey of Vietnam Era veterans also disclosed that outreach to veterans in VA medical centers was inadequate.

Application processing takes too long

VA has experienced long delays in scheduling veterans for their first counseling appointments.

We analyzed the processing time for a statistically valid sample of 356 applications processed during calendar year 1978 in the three regional offices we visited. From VA's receipt of the veteran's application to the initial counseling appointment, averaged 66 days. We believe this contributed to the fact that about one in four veterans did not show up for their initial counseling appointment.

Lenient entry criteria have allowed veterans into the program who do not need vocational rehabilitation

Veterans who are capable of holding gainful employment, and whose files contain no evidence that their service-connected disabilities impair their ability to prepare for, obtain, or retain substantial employment, are allowed to enter VA's vocational rehabilitation program. This is contrary to congressional intent and consumes program resources that could better be spent on veterans who need special rehabilitative services. This situation exists because (1) VA's entry criteria do not adequately stress "lost employability" in determining whether an applicant needs program services and (2) VA does not emphasize serving veterans with serious disabilities.

According to central office officials, VA's regulations and procedures manual require that regional office counselors use a two-step process for determining need for program services. After it has been determined that a veteran has a compensable service-connected disability, regional office counselors must first determine whether the disability has resulted in "lost employability." If lost employability has not occurred, the veteran will be declared ineligible. If lost employability is found, the counselor must determine whether the veteran lacks "suitable" employment. If the veteran does not lack suitable employment, he or she will be declared ineligible. If a veteran lacks suitable employment, the counselor will help the veteran choose an appropriate vocational objective and determine what rehabilitation services will be needed.

Officials in two of the three regional offices visited told us that VA's entry criteria are based on such a broad interpretation of employability that few applicants are declared ineligible. Under VA's criteria, a veteran is presumed to need vocational rehabilitation if he or she has a service-connected disability. The veteran will be found not to need training only if the counselor rebuts this presumption by showing that the disability does not limit employability. Not only is the burden of proving that the veteran is ineligible placed on the counselor, but VA's procedures manual states that any reasonable doubts about the limiting effect of the disability are to be resolved in favor of the veteran.

Our analysis of a sample of applications in the three regional offices showed that only 5 percent (14) out of 275 applicants [1] were determined to be ineligible for benefits because they did not have an employment handicap.

VA's criteria for determining whether an applicant lacks suitable employment are also quite broad, and are seldom used for denying eligibility. For example, if a veteran's occupation is determined to be inconsistent with his or her "aptitudes, interests, and abilities," or requires no more than "vestibule" training, the veteran is considered to be not suitably employed.

Only 4 percent (11) of the 275 applicants were determined to be ineligible for benefits because they did not lack suitable employment.

Our analysis of a random sample of 288 case files disclosed many examples of veterans with prior job histories and no documented evidence of employment handicaps. For example, 83 percent (240) had a history of regular employment, about 10 percent (27) had no employment history and 7 percent (21) had no record that a needs determination was even made. Although we did not make a detailed analysis of the nature of the employment, the jobs were full time and held within a year of acceptance into the program. In fact, 44 percent of the 240 with job histories had worked regularly for 2 or more years.

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[1] Although we selected a random sample of 356 applications for review, an eligibility determination was made only on the 275 applicants who showed up for their initial counseling interview.

For those veterans with job histories, many case files contained no documentation showing whether or how their disabilities had resulted in an employment handicap. In 47 percent (112) of the 240 cases, lack of suitable employment was the only reason noted in the files for allowing the veterans into the program.

Finally, the entry criteria have made it very difficult for counselors to prevent veterans from entering vocational rehabilitation if they were primarily interested in taking advantage of the program because the financial benefits might exceed those available under the GI bill. We found that 61 percent (175) of the 288 veterans in our sample trained under the GI bill an average of 12 months before entering vocational rehabilitation. At least 35 percent (61) of the 175 switched programs and received greater benefits by attending a higher-tuition training facility.

VA has proposed solutions to some outreach and processing problems and has not viewed entry criteria as a problem

VA's 1979 program evaluation did not address any of the problems we identified with outreach efforts to veterans receiving new disability compensation awards.

The evaluation did recognize problems with medical center outreach and application processing time and VA has rewritten or developed new policy statements in an attempt to improve coordination in these areas. Also, VA's task force will investigate and review actions taken.

However, VA has not viewed entry criteria as a problem. VA's steps to improve its outreach and processing may not improve program effectiveness if the entry criteria remain unchanged. Further, improvements in outreach likely would magnify the problem of serving veterans who do not need rehabilitation services.

LACK OF COMPREHENSIVE REHABILITATION SERVICES

We also found that VA has not made a concerted effort to provide service-disabled veterans, particularly those with severe employment handicaps, with a comprehensive range of rehabilitation services. The program has tended to function as a financial assistance program rather than the rehabilitation program intended by the Congress.

VA's pretraining services

Comprehensive diagnostic and evaluation services during pretraining were not being provided. As a result, counselors did not always have an adequate basis for establishing realistic training and employment goals for veterans--particularly those with serious disabilities.

VA's procedures provide for comprehensive medical and psychological evaluations and "work evaluations" (a comprehensive assessment of work tolerance for severely disabled individuals) to diagnose rehabilitation potential and establish realistic rehabilitation goals during pretraining.

However, in our sample of 288 veterans, we found only one who was put in an extended psychological evaluation program. Only eight veterans, or less than 3 percent of our sample, received work evaluations, and those evaluations were concentrated in one VA regional office.

One resource available to counselors in identifying and meeting the pretraining needs of seriously disabled veterans is VA's Vocational Rehabilitation Board. This board is designed to bring all applicable specialized resources effectively to bear upon the vocational rehabilitation of seriously handicapped veterans. The board may request extensive diagnostic and work evaluations in its determination of a veteran's feasibility to train.

However, we found that veterans were seldom referred to the board. We estimate that one-third of the 4,890 applicants to the program during calendar year 1978 in the three regional offices we visited had disability ratings of 50 percent or more; however, the boards in the three regional offices received only 75 cases during the year.

VA's training services

VA's vocational rehabilitation specialists did not provide many veterans--particularly seriously disabled veterans--with adequate services during training. VA's procedures manual prescribes various special services that might be needed. We believe the key ones are (1) adjustment counseling, (2) concurrent medical treatment, and (3) close monitoring.

Our analysis of sample cases showed that many veterans who needed special services did not receive them. We identified 35 percent of the veterans as progressing poorly or not at all during training, yet the vocational rehabilitation specialists did not provide special services or take other corrective action in over one-third of these cases. One reason that specialists did not refer veterans for special services may be that they were not aware that the veterans needed such services.

The primary way that the specialist aids the veteran in training is through periodic supervisory visits to the veteran's training facility to obtain firsthand information on the veteran's training and problems. However, we found that specialists were not making the minimum number of visits required by VA regulations.

Also, vocational rehabilitation specialists did not coordinate with counselors to help plan the veterans' rehabilitation. VA's rehabilitation program is set up so that counseling is separate from monitoring--the counselor is responsible for the former, and the specialist is responsible for the latter. According to VA's procedures manual, the specialist's knowledge of training facilities, employment opportunities, and special services should be available in helping the veteran and the counselor select an appropriate training program.

Our review showed, however, that pretraining collaboration between counselors and specialists was rare. For example, counselors recommended that specialists provide special services (such as concurrent medical treatment or close supervision) in 16 percent of the sample cases; however, less than half of these veterans received these services from the specialists during training.

VA's procedures manual also requires that specialists and counselors collaborate to provide veterans with additional counseling during training. For example, the specialists should refer veterans back to the counselors for vocational adjustment counseling if they are experiencing personal or training-related difficulties. Since 33 (11 percent of our sample) had severe neuropsychiatric problems (rated 50 percent or greater), we anticipated numerous referrals for adjustment counseling. However, we found that the specialists rarely referred veterans to the counselors for adjustment counseling.

VA's procedures manual also requires the specialists to refer veterans to VA medical centers for hospital or outpatient treatment as needed. However, almost half of 38 regional officials surveyed by VA stated that their units have weak or no relationships with local medical centers for providing such assistance.

VA's posttraining services

Regional offices provided little employment and followup assistance during posttraining. Many veterans who needed help in finding and adjusting to jobs once training was completed were not helped by VA in the final and most critical step of their rehabilitation.

While existing legislation limits VA's authority for direct employment placement, VA's procedures manual directs the specialists to (1) help the veteran prepare resumes and contact prospective employers, and (2) make referrals to the State employment security agency and other public and private agencies.

However, of the veterans in our sample who completed training and were unemployed when they left the program, only 15 percent received employment referral and only 10 percent received help in preparing resumes or contacting employers.

Specialists are also responsible for posttraining followup to document and assure that veterans adjust to their new work situation. VA's procedures manual requires specialists to contact veterans 1 month after they complete training to determine and document their employment status in the case file. If a veteran is employed, specialists are required to contact the veteran 6 months later to assure adequate adjustment to the new work environment. If a veteran is unemployed or working in an unsuitable job, the specialist is to maintain followup contacts until the veteran has achieved satisfactory job adjustment. If this adjustment is not achieved, the specialist should consider the need for additional training.

Our review of sample cases showed that specialists were not meeting these requirements. For example, none of the veterans who completed training had any documentation in their case files as to their employment status 1 month after they completed training.

VA proposal to improve rehabilitation services

VA's September 1978 and July 1979 studies recognize that its rehabilitation process needs substantial improvement. The studies say that the statutory definition of vocational rehabilitation limits VA's ability to stress more comprehensive, wide-ranging services.

VA has proposed new legislation to the Congress which would make clear that all the veterans' needs, not just educational or vocational needs, should be considered under the vocational rehabilitation program. The proposed legislation also addresses the need to upgrade the professional skills of the rehabilitation staff.

We believe that, although existing legislation limits VA's responsibility for direct employment placement, VA could have provided more (1) comprehensive medical, psychological, and social rehabilitation services during pretraining and training and (2) employment assistance and followup services during posttraining.

RECOMMENDATIONS

Mr. Chairman, in our report, we have made a number of recommendations to the Administrator of Veterans Affairs which should improve the program. We also recommended that the Congress

- --Amend chapter 31 to allow service-disabled veterans who need vocational rehabilitation services to enroll under the chapter 31 program and receive either:
  - —a fixed allowance for subsistence with VA paying all educational expenses directly to the provider; or
  - --a fixed allowance equal to that available under the GI bill, with the veteran paying his or her own educational expenses.
- --Amend chapter 31, as proposed by VA to expand the statutory purpose of "vocational rehabilitation" beyond employability to include attainment of gainful employment.

Although we believe the present language of chapter 31 is flexible enough to allow VA to provide eligible service-disabled veterans with a comprehensive range of services, a more specific definition would clearly establish the boundaries of the program and prevent problems that might arise from differing interpretations of the present definition.

COMMENTS ON AMENDMENT NO. 1661 TO S. 1188

The Committee also asked for our views on Amendment No. 1661 to S. 1188, the proposed "Disabled Veterans Rehabilitation Act of 1980." The stated purpose of the amendment is to revise title 38, U.S.C., to improve, expand, and modernize VA's chapter 31 vocational rehabilitation program for service-connected disabled veterans; to provide for a pilot program of independent living services for certain severely disabled veterans under chapter 31; and for other purposes.

We note that the proposed amendment would closely align major elements of VA's vocational rehabilitation program to the Federal/State program administered by the Rehabilitation Services Administration (RSA) of HEW. The amendment would also address, in varying degrees, several of the issues we noted in our review such as (1) clarification of VA's authority to provide a comprehensive range of vocational rehabilitation services, (2) the need to expand the statutory purpose of "vocational rehabilitation" beyond employability to include attainment of gainful employment; (3) use of the case-manager concept; (4) use of individualized rehabilitation plans; and (5) the need for comprehensive evaluations of disabled veterans' rehabilitation and work potential for use in adjudicating such veterans' claims for 100-percent "individually unemployable" ratings.

However, the extent to which these provisions would ameliorate or solve some of the problems within the chapter 31 program will depend in large part on the manner in which VA implements the legislative changes. As noted in our report, we believe the major underlying cause of the limited effectiveness of the vocational rehabilitation program was a lack of strong central management and accountability for program results at the central office level, rather than inadequacies or defects in the existing legislation. Sound program management cannot be legislated. Regardless of what legislative changes may be made to chapter 31, improved program management must come from within VA.

We have some reservations about certain provisions of the proposed amendment. Specifically the amendment would:

- --Liberalize the eligibility criteria to make all service-disabled veterans eligible for chapter 31 benefits by deleting the requirement that the veteran be determined to be in need of vocational rehabilitation because of an employment handicap. This is a major redirection of chapter 31, from its traditional mission-oriented objective of restoring lost employability, to an entitlement program for those service-disabled veterans whose disabilities do not limit or impair their ability to prepare for, obtain, or retain employment. We believe the program should retain the requirement that veterans be determined to be in need of vocational rehabilitation because of an employment handicap.
- --Expand the eligibility criteria to include veterans whose disabilities are so severe that a vocational objective is not feasible. This provision would provide for these individuals a program of "independent living services" which is already available to them from VA's Department of Medicine and Surgery (DM&S) under

chapter 17 of title 38, and, to a limited extent, from HEW's Rehabilitation Services Administration under the Rehabilitation Act of 1973 as amended. In fact, the provision would authorize VA to "buy" these independent living services through cost-reimbursable contracts with DM&S and the Federal/State RSA program. The net effect of this provision would be to attract the veterans away from the chapter 17 and Federal/State RSA programs by making them eligible for the chapter 31 monthly subsistence allowance (there is nothing in the proposed amendment which would indicate that the veterans would receive any higher quality or quantity of independent living services under chapter 31). Moreover, because this provision is geared to those veterans whose disabilities are so severe that a vocational objective is not feasible, we would expect that most, if not all, of them will already be receiving full disability compensation, and that a substantial number of them will also be undergoing long-term institutionalization in VA hospitals, nursing homes, domiciliaries, and nursing homes under contract with VA in which the veterans' subsistence needs are already being provided for by VA. We believe the chapter 31 program eligibility criteria should not be expanded to include veterans for whom a vocational objective is not feasible, nor should program services be expanded to duplicate/

overlap those already available under chapter 17 and the Rehabilitation Act of 1973, as amended.

--Finally, the provision would result in duplicate payments for subsistence to incarcerated veterans, and to veterans in VA hospitals, domiciliaries, nursing homes, and contract nursing homes, in which the subsistence needs are already being provided for by the various Federal, State and local prison systems or by VA. We do not believe veterans in these situations should receive additional subsistence allowances under chapter 31 when their subsistence needs are already being taken care of by other programs. Moreover, the philosophy underlying duplicate payments seems inconsistent with that underlying 1508(c)(1) and 1514(a) of the proposed amendment. Section 1508(c)(1) authorizes the Administrator to reduce the subsistence allowance for any veteran who receives wages or other income from an employer while participating in an on-the-job training program under chapter 31. Section 1514(a) provides that no subsistence allowance will be paid to active military duty personnel participating in the chapter 31 program while hospitalized pending discharge, presumably on the grounds that the individuals' subsistence needs are already being met by the military hospital and that the chapter 31 subsistence allowance would therefore constitute a duplicate payment.

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This concludes our statement, Mr. Chairman. We will be happy to respond to any questions you or other Members of the Committee might have.

Mr. STEINBERG. Our next panel is Roland Harris, director, Disabled Veterans Employment Program, Washington Urban League, an affiliate of the National Urban League, accompanied by Charles T. Lockett, administrative assistant; Dr. Edward Merrill, president, Gallaudet College and a particular friend of ours and, particularly Senator Cranston's; Edward V. Roberts, director of the State Department of Rehabilitation, State of California.

Mr. Harris, would you lead off and, please, summarize your remarks? And, again, our apologies for this series of rollcall votes this morning that has taken Senator Cranston away from us.

TESTIMONY OF A PANEL CONSISTING OF: ROLAND HARRIS, DIRECTOR, DISABLED VETERANS PROGRAM, ACCOMPANIED BY CHARLES T. LOCKETT, ADMINISTRATIVE ASSISTANT, BOTH OF THE WASHINGTON URBAN LEAGUE; DR. EDWARD MERRILL, PRESIDENT, GALLAUDET COLLEGE; AND EDWARD V. ROBERTS, DIRECTOR, STATE DEPARTMENT OF REHABILITATION, STATE OF CALIFORNIA

Mr. HARRIS. First, I would like to thank Senator Cranston for the privilege of appearing before this most distinguished committee to present the views of the National Urban League with respect to pending legislation.

The National Urban League has often sought recognition of the fact that needs of minority, economically, and educationally disadvantaged veterans are unique.

Although Congress has begun to recognize the needs of our constituency, we request that additional consideration be given to these needs.

Recently, the Veterans' Administration has officially recognized this unique category of disabled veterans through inauguration of their outreach program aimed at assisting Vietnam-era veterans who have experienced persistent difficulties in reentering the mainstream of American life.

We wholeheartedly support Mr. Cranston's amendment and the intent of the two other bills addressing the Veterans' Administration's need to gear itself up to provide, as an integral part of their vocational rehabilitation program, services specifically designed to assist the veteran to achieve maximum independence in the function of daily living and to achieve economic independence through more effective job development and placement mechanisms.

The current outreach effort which the Veterans' Administration is operating is a step toward identifying these unheralded and unheard from groups of veterans.

The concept is valid. The intent and objectives of the outreach centers is honorable. Yes, we must locate and identify these veterans who have given up on the system.

Disabled veterans are to be found within the communities where they have established roots, have families, friends and peers.

It follows that community-based organizations and activities which exist within the community and are recognized as legitimate and as helpers should continue to be developers of employment opportunity for their disabled sons and daughters who served so faithfully when called upon by their country during the time of crisis.

S. 1188, as amended, is well taken.

Mr. Chairman, the Disabled Veterans Employment Project has found that, for unskilled or marginally rehabilitated veterans, the community-based development resources provide a vital service.

We are in total agreement with the amendment to S. 1188 that provides for the continuation of the agreement between the Veterans' Administration and the U.S. Department of Labor and the inclusion of community nonprofit organizations and the number of resources to which the unemployed veteran can turn for sensitive assistance in the area of job development.

Through an aggressive program of employment development, job placement and followup, the Disabled Veterans Employment Project has successfully placed 445, 30 percent or more disabled veterans, 245 long-term unemployed veterans, which include a large number of 10 percent and 20 percent VA certified disabled veterans, and 129 others in meaningful, viable and satisfied employment since 1976.

The Military and Veterans Affairs Office of the National Urban League cannot overemphasize the importance and the urgency of Congress providing close-in community-based job development resources for those Vietnam-era veterans who, for the most part, suffer psychological or readjustment problems and are unable to obtain and retain employment which provides them with a measure of self-worth and a degree of pride and dignity.

We must also be cognizant of the problems of incarcerated veterans. S. 1188, as amended, would also amend eligibility for subsistence allowance for a veteran who is engaged in a VA approved program of vocational rehabilitation under chapter 38, while incarcerated.

Such an amendment mandates that if such veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pays such amount to veteran upon release from prison or jail.

This provision will undoubtedly act as a powerful stimulant or catalyst in the area of the rehabilitative process for the large numbers of Vietnam-era disabled veterans currently behind bars.

Being able to participate in the rehabilitative process, earn an allowance, acquiring skills needed for making an honest living upon release can only provide a source of hope and a sense of future for veterans who have run afoul of the law, perhaps directly due to their readjustment, alcohol, drug abuse problems or the lack of marketable skills with which to earn a living.

We feel this is a positive step in helping those veterans who also face the burden of being an ex-offender.

Section 1501(7) amends the term "serious employment handicap" to mean a significant impairment of an individual's ability to prepare for, obtain or retain employment consistent with an individual's ability, aptitudes and interest.

Unfortunately, we, at the Disabled Veterans Employment Project, have found that the general avenues for vocational rehabilitation often do not always include provisions for the minority or poor, low-educated veteran.

It is on behalf of this segment of disabled Vietnam-era veterans for whom our plea is especially made. Although efforts at working on their problems are being improved, we all know much remains to be done.

And may I, at this time remind this distinguished body of the continuing lack of attention in the area of less-than-honorable discharges. The General Accounting Office reports "military discharge policies and practices result in wide disparities," GSA also states that, "commanders are given broad discretion in making separation decisions and in characterizing service.

Such factors as disciplinary record, off-duty behavior, age, educational level, aptitude scores, eligibility for benefits, and the views of the commander can influence the reason for separation and the type of discharge. The GAO report goes on to state the following in regards to employment opportunities in civilian life. "Less-than-honorable administrative discharges—general and under other than honorable conditions—have potentially severe consequences for the individual. Many recipients of them encounter substantial prejudice in civilian life and are denied civilian job opportunities and veterans' benefits. Additionally, the less educated and minorities receive a disproportionate share of less-than-honorable discharges.

In conclusion, the National Urban League's Disabled Veterans Employment Project would like to congratulate the committee and the chairman, in particular, with regard to its continued concern for those who have sacrificed, served and given of themselves to their physical disadvantage. Thank you very much.

Dr. **Merrill**. I would like to submit statements primarily focused on the amendment No. 1661. I come here not as an expert in vocational rehabilitation, nor in veterans' affairs.

Gallaudet College as the national college for deaf students has served persons who have been deafened in military service, not many, but a few. But, more importantly, I think, the college has a record of serving severely disabled persons and a record of job placement. We place, generally, between 84 to 87 percent of our graduates 1 year before the opening of the next semester. So, we look at this amendment from that particular point of view. What I would like to do now in the brief time that I have before this committee is to react succinctly to some specific provisions of the amendment.

In my opinion, the expansion of the purposes of chapter 31 to include disabled veterans, "to obtain and maintain suitable employment", is necessary and goes considerably farther than merely promoting the development of on-the-job training and employment opportunities.

I noticed, with a great deal of interest, an intention to improve the authority and the range of diagnostic, evaluative, counseling, pretraining, training and other services needed to provide rehabilitation and employment skills.

The provision of these and the coordination of them is very important. Research in the personnel field has indicated that many people do not obtain jobs or, once obtaining them, lose them not due to the lack of skill or ability to perform the task at hand. They do not get the job or lose it because of attitudinal factors, which include perception of self, perception of others, and personal relationships. Unfortunately, obtaining progress in personal adjustment is often more time consuming and difficult than job training.

Furthermore, progress in the areas of personal adjustment sometimes requires not only the skill of a psychologist, psychiatrist or counselor, but a team of people who share their expertise in the effort to assist the person, first, to come to grips with himself and then others. So, the provisions here for coordination of these services and a team approach is most appealing.

The section of the amendment No. 1507, requiring individualized vocational rehabilitation plans, is very much in line with other Federal legislation for handicapped persons; for example, the Education for All Handicapped Children Act, requires that each handicapped child shall have an individualized educational plan, an IEP. This is very consistent with that and would seem to be much more effective.

From my point of view, the provision of the amendment that would permit less seriously disabled veterans who may have chapter 34 eligibility entitlement to receive some of the benefits also under chapter 31 is consistent with the goals of permitting veterans with disabilities to have maximum independence without the loss of needed services.

I was particularly interested in this and the previous testimony. We agree completely with it—that a person who is eligible for chapter 31 benefits should not lose these in the event that he chooses to obtain an education under chapter 34 benefits.

Finally, Mr. Chairman, I would like to support the provisions of the amendment which increases the duration of service and assistance for disabled veterans. Some of our disabled veterans have intellectual abilities which the Nation can ill afford to lose, even though they may have disabilities which severely impede their mobility. For example, they need not be excluded from pursuing professional goals which require the master's degree and more. The extension of the 84 months limit under specified conditions seems entirely appropriate.

In summary, I have reviewed amendment No. 1661 to S. 1188, the Disabled Veterans' Rehabilitation Act of 1979, and am generally in accord with its provisions.

From my point of view, as an administrator of a college which is providing education and placement for a significant number of disabled persons, the proposed amendment addresses some of the major problems which have been identified in the studies of disabled veterans' benefits.

The purpose of the act has been expanded and better coordination of services is proposed, more flexibility in provision of services is possible, a higher level of attainment on the part of the disabled veteran is available, and provisions made for more individualized vocational rehabilitation plans.

All this should lead to more independent living.

Thank you very much.

Mr. **Steinberg.** Thank you very much. We appreciate your being brief and to the point and your specific comments on the amendment.

Mr. **Roberts.** Good morning, sir.

Mr. STEINBERG. Ed, we are very grateful to you for traveling all the way back here from California to be with us and to give us your very special perspective as the director of the largest State's vocational rehabilitation program and to assist us in our endeavor to make the chapter 31 program for disabled veterans the very best it can be.

Why don't you please proceed.

Mr. ROBERTS. It is a pleasure to join you today and to appear before Senator Cranston's committee.

I think that my being here is an indication of our society's tremendous interest in people with disabilities, both disabled veterans and all disabled people.

I, also, think the bill and its amendments are a sign of a coming of age in the Veterans' Administration. I see the VA catching up with the rapidly changing rehabilitation scene, incorporating many new concepts and the abundant new technology.

I think that there are parallels between what you are beginning here and title VII of the Rehabilitation Act Amendments of 1978.

As the cost of disability increases, vocational rehabilitation and independent living are two of the ways we can help people take control of their own lives.

The severely disabled veterans I have worked and talked with want to control their own lives; they want to work; they can work. The severity of their disability often is not the most vital factor—motivation can be much more important.

As our national commitment to the veteran expands, we must focus on independence and not institutionalization. We spend too much effort, I think, in helping people remain in institutional settings when we should be helping them stay in the community and stay in their homes. Social isolation, moving people into institutional or isolated settings is death. You don't have to be there long before you feel that you are unable to get out. You feel paralyzed in more than just your body.

We should provide the kind of services that can help people feel confidence in themselves, help them take away the anger and self-hatred and frustration that comes with disability. Through a personal experience like this people can begin to experience the kind of strength and power that disability can bring once you begin to control it.

In my own experience, I found this to be a very important concept. I think all too often we get hung up on the severity of the disability and forget about motivation and one's commitment to do something for oneself.

I think that it is very important that we not talk about independent living and vocational rehabilitation as mutually exclusive concepts because, in fact, they are really a part of a continuum. It's important that we integrate independent living into the rehabilitation program. It must be an integral part.

As we began to get into independent living, like at the Center for Independent Living in Berkeley, we found severely and profoundly disabled people were able, once they began to take control of their lives, to move right through the vocational rehabilitation process very quickly and into the job market, often into very high-paying jobs.

In 1978–79, we know that the money we spent on our clients, especially the most severely disabled clients, was recouped by the State within 3¾ years. Rehabilitation makes good sense, not only economically but socially as well.

A person may start out after becoming disabled and not even want to think about the vocational aspect of his life. We run across this all the time; at this point a person may not even be sure he can control his own life. But once people begin to take control and begin to feel the power and strength they have within themselves then they begin thinking about what the next step is—and that next step is often vocation.

You want to make sure that there are no disincentives in the way of that process. I want to caution you, as we work through this bill and look at the way the veterans' system is built, that we not build in additional disincentive, but remove any that might be there now.

Help people work. Work is important for everyone. All of us knows what it means to our own self-image to work, to be as self-supporting as possible. That is equally true for people with disabilities.

I think it is also important that we not look at independent living as just an aid to daily living. It is a much broader concept than that. What we are really talking about is people learning the ability to function independently and freely in their families and in the community.

I encourage contracting and demonstration projects. I would really like to see some kind of demonstration project between the VA hospitals in California and the living projects there. For example, in Palo Alto, there could be a project between the VA hospital and any of the five independent living projects in the bay area. I think a project of this kind could be very fruitful. We would discover that we could move people along more than we ever before thought through role modeling and support services. This way we can help people get what they need when they need it—the sooner we intervene with them, the more likely it is that they will be able to take control of their lives in a short period of time. The sooner we get people back to taking control and back to believing in themselves again, the better off they are and the better off we are.

There is a tremendous need to move quickly when a person is either newly disabled or has been in an institution. These people need to be helped with independent living services before we even consider vocational rehabilitation.

I think we need to consider presumptive eligibility. I constantly hear about people being bogged down in the system, waiting month after month to be served. This happens not only in our rehabilitation system but also, I understand, in the VA system.

I think you can let counselors judge when a person is eligible and let them get going with services. Don't wait—the longer we wait, the more it is going to cost us.

When you prepare a person for vocational rehabilitation service, you must assume that they are going to work. I see over and over how, if we expect nothing, we get nothing. If we expect something out of people, if we expect them to take their places in society and the work force, we expect them to do their best, they will do it. It's a self-fulfilling prophecy.

Early intervention prevents secondary problems. It is no secret that people with disabilities can be heavily into alcohol, drugs and other things because they have not dealt with the primary issues of their disability.

We are constantly getting sidetracked by secondary disabilities. I think that if we intervene early enough and let people know that there are resources available if they do get involved in something over their heads we can help prevent those secondary kinds of problems and disabilities.

It is very important that we provide more linkages between the vocational rehabilitation system and the veterans' system. We work now with many veterans but, with the advent of independent living and the new resources available, we can make these linkages much stronger. We are not dividing each other. We are both looking and working for innovation in the field, and we can support each other in our search.

Many of the staff members who will be working in the vocational rehabilitation program and in independent living will come from our systems. We need to continue to cross-fertilize our systems, by training or what ever necessary, so that we are basically doing the same thing.

I would like to see many more referrals to the vocational rehabilitation system. We are very good at catching the 9-year veteran who is just finishing the ninth year. We can usually finish that rehabilitation within a year—it's a fairly quick rehabilitation.

But what about people who are taking a much longer time? We need to work on that. We need to help people after the time limit, but also we need to see and refer people earlier.

We have a tremendous number of community resources now that we did not have in the last 3 or 4 years. Not only in independent living, but in information referral centers for the deaf and blind and all kinds of services that were not available just a few years ago. The Veterans' Administration and vocational rehabilitation need to take better advantage of these services. We need to consider purchasing the services as a way to help those community programs grow and thrive.

Lastly, I would like to encourage more consumer involvement in the Veterans' Administration. The idea of an advisory committee is a good one. I have been working with our Department's advisory committee for a long time, and they have been very helpful. We need to select people who are leaders and who are not afraid to speak out and represent consumers on our advisory committees. A good consumer advisory committee can help bring about change and let you know of new informaton as it comes up.

I think that the disabled veterans themselves should get involved in the movement. It is easy to stand outside and wait until things are handed to you—but when you get inside the movement it is a challenge to try to make the changes yourself.

I am very impressed with the new amendments, and especially with the Senator's amendment. I think it clarifies a great deal of the earlier legislation.

I look forward to an improved and integrated program for severely disabled veterans, one that is a continuum where even the most severely disabled veteran can take charge of his life and move through the rehabilitation process as far as he or she can go. I look forward to our joining together in California to develop projects and demonstrate that independent living is a key concept, not only with severely disabled veterans but with all disabled people.

Mr. **Steinberg**. Thank you very much, Ed. Again, to all of you, I would like to express Senator Cranston's regrets. We are now hearing the buzzer for final passage at this point.

And I know that, Ed, he particularly wanted to be here to hear your testimony. We will certainly make sure that he receives the transcript of all of the witnesses' testimony so that he can review it.

As I think should be made clear from the earlier testimony, Ed, this committee views the process as very much of a coordinated and collaborative one, having heard not only from the VA, but also from the Rehabilitation Services Administration and the Department of Labor, and having talked with each of them about the need for coordination and improvements in that area.

It is clear that the committee agrees very much with that central theme of your testimony.

Mr. **Roberts**. I think that it is really important, especially with the Department of Labor, to make sure to evaluate disabled people enough when they first come in and not train them for a dead-end job. A coordination of service is essential.

Mr. **Steinberg**. We are going to have some questions for all of you.

Many of the witnesses today are indicating, of course, the importance of comprehensive, nonfragmented rehabilitation programs, encompassing vocational, medical, psychological, social, and other needs of the individual rising out of his or her disability.

Do you agree with that particular emphasis?

Mr. **Roberts**. Oh, very much so. I definitely think that we should use a team approach on rehabilitation programs. I also feel we tend to underemphasize how important the individual with the disability is to the process. The idea of an individualized written plan with a contract that holds both the client and the counselor accountable is a very good one.

If the rehabilitation process is going to succeed, we have to make sure that disabled people get what they need—but we also must make sure that they have the motivation and willingness necessary to make it succeed.

Mr. **Steinberg**. Do you other gentlemen generally agree with that observation?

Mr. **Harris**. Yes.

Dr. **Merrill**. Yes, I do.

Mr. **Steinberg**. Do you see any particular obstacles in Senator Cranston's amendment or the administrative structure of the VA to providing this kind of a comprehensive, coordinated rehabilitation process?

Mr. Roberts. I think the amendment will help clarify a lot of the problems that we have seen in the past within the Veterans' Administration.

I think that involvement in the committee will help a great deal in opening up communication.

I look forward to seeing the implication of these amendments. I don't think they will solve all the problems; in fact, they will create some others. But I think we will find a much more comprehensive approach with much less stalling at various stages. I think this has been a real frustration both to veterans and to our counselors.

The way that reeligibility is possible each time you reenter the system will, alone, help the whole system. You are going to speed up the process for veterans, and that is very important.

Mr. Steinberg. You have spoken very eloquently this morning about independent living services and the need for an understanding of what that entails.

I think you were present when the General Accounting Office testified and raised some questions as to whether or not we should build into chapter 31 provisions for independent living services or, rather, rely on the Department of Medicine and Surgery to deal with that or programs under the Rehabilitation Act, title VII, to provide them.

Do you have some comments on that discussion?

Mr. Roberts. Oh, I am glad you asked. I think it is very important that we not leave the whole concept of independent living to doctors or to the medical profession. I don't think that is where it's at. I think they have a role to play in it, but we must recognize that independent living is a much broader concept and needs the involvement of the whole community.

I really discourage putting independent living in the medical profession. I think that labels it, narrows it, and in the end will kill it. I was not very happy with that statement. I thought it was not an enlightened statement.

Mr. Steinberg. In the amendment, new section 1505 provides for a 12-month period of extended evaluation and extensions for additional periods of up to 6 months when the Administrator determines it is likely that, during further extended period, a determination can be made with respect to the feasibility of an employment goal for the particular veteran.

During that period of extended evaluation, services and assistance would be authorized to improve the veteran's potential to participate in vocational training. Once it is determined that a vocational goal is feasible, the veteran would enter a program leading to that goal. On the other hand, once it is determined that a vocational goal is not feasible for the individual, he or she would have entitlement for the pilot program on independent living services and assistance.

Do you believe that that process of evaluation and decisionmaking regarding the feasibility of achieving a vocational goal would be workable and appropriate?

Mr. Roberts. I think it is important to have that kind of evaluation period, but I think it is even more important to put a person into a plan if you have even the slightest belief that he can and wants to work. It would be useless to evaluate him for 6 months or 2 years.

Our experience with the extended evaluation period, which can last for up to 18 months in vocational rehabilitation, is that the counselors don't use it because they find that it is double work. Say they write a plan for extended evaluation and then decide the person is ready for vocational rehabilitation and write a plan for that—more often than not the person will go with the vocational rehabilitation plan.

I think it is important to get a person going in a plan as soon as possible. I would only use extended evaluation rarely, but I think it is important to have that option available.

Overall, I encourage counselors to use the regular vocational rehabilitation plan if they believe the person is ready and able to work except for a little preparation.

Mr. STEINBERG. So, you think that extended evaluation would be a real exception?

Mr. ROBERTS. I think so, absolutely. That is our experience. The counselors themselves seem to be moving away from it.

Mr. STEINBERG. When we asked this question of Bob Humphreys earlier, he suggested that you, perhaps, would enlighten us in terms of the appropriate outcomes for individuals after the provision of independent living services.

Would you like to give us the benefit of your experience on that?

Mr. ROBERTS. I think independent living services, like vocational services, should be goal-oriented. I think the disabled person and the counselor should work together and set a goal. It may be a modest goal in the beginning but that can be very valuable; success is incredibly important for people who have not had much success because of their disability.

It may be necessary to have more than one goal, but that first goal is most important; it's a beginning in taking control of your own life. Whether it is getting into a power wheelchair or learning mobility if you are blind or learning sign language and beginning to communicate if you are deaf or hearing impaired. This can be a very vital step—the first success.

Independent living is a success-building concept. It can be the start of a succession of goals that move toward vocational rehabilitation. We see more and more people begin to believe in themselves and want to take that step toward job training.

Mr. STEINBERG. So, you would agree with Bob's response that it really depends on the individual?

Mr. ROBERTS. I think that it is very important that both well-informed counselor judgment and a person's judgment of himself are involved in the rehabilitation process, even though a person's may seem a little unrealistic at the time. I was told a lot of times that I had a goal that was unrealistic, but it turned out to be attainable.

Mr. STEINBERG. In terms of the pilot program in the Senator's amendment, do you think there should be authority to contract with for-profit organizations as well as with public or nonprofit organizations?

Mr. ROBERTS. I think we should tread very lightly with this. For example, with the new title VII amendments, I see hundreds of corporations beginning to jump in and hustle us for money.

I have some philosophical aversions to that, but I think we should begin with the private nonprofit and public agencies and then see whether private agencies can play a role in this.

I have some real concerns. I have watched Homemaker/Chore in California become involved with business, and I am not sure the quality of service is benefited as a result.

Mr. STEINBERG. Do you think that we need a longer period than the 5 years authorized for the pilot program or would that be adequate?

Mr. ROBERTS. I think 5 years is adequate, and then we should make it permanent.

I think it will show that there are substantial social benefits in the program. Many of the people that we did not think could move will take control of their lives and move on.

Mr. STEINBERG. Ed, it would be very helpful to us if you would take a close look at the Senator's amendment and tell us, for the record, whether or not there are any types of services and assistance that are available under your State VR program that are not adequately provided for in the amendment and should be.

Could you do that?

Mr. ROBERTS. I would be happy to. In fact, we are in the process of doing that.

Mr. STEINBERG. Great. You stated, in your prepared testimony and you reiterated this morning that it is very important that we not treat the concepts of independent living services and vocational rehabilitation as mutually exclusive.

We just wanted to point out that we agree with that and particularly, where the bill is dealing with someone who is in vocational rehabilitation or is in extended evaluation, that independent living services are fully authorized for that individual during their vocational training or during their extended evaluation; that it is only as to the individual for whom it has been determined that a vocational goal is not feasible that there would be this separateness, I guess you might say, in the pilot program.

Does that clarification help? Is that a reasonable way to go as far as you are concerned?

Mr. ROBERTS. I think it is reasonable, but I think that, as Bob Humphreys said, we should make sure that independent living does not wind up as a dumping ground or a second-class citizen. It should be seen as an intergral part of the process, a place where people can learn skills and then move on. It should not be seen as the end process in and of itself.

Mr. STEINBERG. In terms of combining, as I just indicated, vocational training and independent living, and as you made reference to, are there any particular pitfalls that we need to be aware of or the VA needs to be aware of in that combination? Is there anything that the legislation should attempt to do in this area?

Mr. ROBERTS. I will take another look at that and put it in my testimony. There are some pitfalls—it has, more than anything, to do with the attitudes of the people involved, the counselors, et cetera.

If the counselors see people as more limited than they really are because they look too hard at the disability and not the real person, then there will be a tendency to push the disabled person toward lesser goals. The counselor might tend to emphasize independent living more in cases like this, when they should in fact be emphasizing vocational training. Vocational training provides motivation to be more independent—it and independent living are integrally connected.

Mr. **Steinberg**. Well, you know the history of the development of the independent living program in title VII and the extremely long process from the special needs study that was authorized in 1973 through the enactment of title VII in 1978.

The concern was repeated that you have just stated that we not allow people to be written off in terms of vocational goals.

So, it would be very helpful to us if you would look at the legislation and see whether there may be some emphases that ought to be built in to try to assure that, wherever it is feasible under any reasonable construction of events, that the individual could achieve a vocational goal, that we get on with that business which I think is what you are telling us.

Mr. **Roberts**. That is it, definitely.

Mr. **Steinberg**. OK. We would appreciate that sort of a review.

And if you gentlemen have any suggestions in that regard, also, we would appreciate receiving it.

Dr. Merrill, I wonder if I could turn to you for a couple of questions.

The committee is very well aware of the outstanding programs that Gallaudet provides and your enormous contribution in this area, in terms of individuals with severe hearing impairments.

And we very much appreciate your being here and sharing your special expertise with us.

Dr. **Merrill**. I am pleased to be here.

Mr. **Steinberg**. Could you give us a brief explanation now—and you may want to amplify it further for the record—the ways in which you think that we need to educate employers to be more receptive to employing disabled individuals?

Dr. **Merrill**. Yes; I would be pleased to comment on that briefly.

Dealing with severely deafened people, we have discovered that about 90 percent of the problem is not with the deaf person, but with the employer who does not understand the nature of deafness. And the deafness factor looms so large that he really can't get over it.

We, at Gallaudet College, are trying to address this problem two ways:

First of all, we invite employers to our campus to talk to us and to talk to our students about employment. Within this process, we don't start talking about employment; we start talking about deafness and the abilities of deaf people. We provide them examples of very successfully employed deaf people. So, we begin to work at that problem first.

Second, we do have what we call a co-op study program, and we expect all of our students to have some experience on the job before they are graduated.

This has grown rapidly at Gallaudet College and has worked very well. It has worked well because students, generally, after having worked in a business, go back there as an employee.

But addressing your question directly, by placing students on the job or in a business, in a temporary way, the employer gets over the shock of seeing a deaf person and gets over the problem of how to communicate with a deaf person. And the first thing you know, that problem is no longer there at all, and the employer begins to look at the person as an individual and sees the potential he has and moves ahead with him.

Those are the two main responses I could give your question.

Mr. STEINBERG. Do you think that we have made, since the enactment of the Rehabilitation Act in 1973, meaningful progress in changing employer attitudes in this area?

Can you compare that, for example, with the prior 5 years; has that made a significant difference?

Dr. MERRILL. Well, yes, there has been real progress. I have been at Gallaudet for 11 years and, looking back on it, as I am sure Ed would agree, conditions were pretty grim back then.

But things have been changed, and this has come about in two ways: First of all, we have new laws now that make a difference and people do listen and know that they have to respond to handicapped people. And this helps them get over, again, the trauma of some disability and to look more closely at the ability of the individual. That is very important.

And I am pleased, as we contact large corporations, to find there a real interest and a commitment to helping handicapped people. In other words, I think that, regardless of the law, I think they have the message now that here are people who have ability that we cannot afford to overlook. So, they are willing to make the changes that are necessary, which are, very often, minor changes, to make this person a full part of the work force.

There has been a great change in attitude and, of course, there has been a new legal status given to handicapped people as individuals. All of this has made a difference.

Mr. STEINBERG. In terms of your placement program, do you have one employment specialist who coordinates placement services and then follows the graduates' progress?

Dr. MERRILL. Yes, we do. We have a person who directs that.

Mr. STEINBERG. Do you know offhand what the staff/student ratio is in terms of followup procedures in your program?

Dr. MERRILL. We have two full-time placement counselors and one part-time placement counselor. So, with approximately 900 students, I would say the ratio is about 1 to 300.

I would say that placement is not just something you do; you know, when you reach graduation. It isn't that kind of thing at all. It starts, really, when a deaf student selects his major; then is when we begin to address the question of work, and we have work-study after that. By the time he is approaching graduation, he pretty much knows what he is going to do.

Mr. STEINBERG. On page 4 of your prepared testimony you remark on the importance of hidden emotional disabilities influencing the outcome in the readjustment and rehabilitation process.

New section 1506(d) in Senator Cranston's amendment would require a single VA employee to be assigned the responsibility for the management and followup of rehabilitation services in the VA chapter 31 program.

With regard to the area of hidden disabilities, as you describe it, what are your thoughts on this type of ongoing relationship between the case manager and a chapter 31 participant with a serious employment handicap?

Dr. **Merrill.** Well, I think it is critical, and I think this is the way you get a team together. I think the case manager could form this team and help with all of the disabilities, including those that may not be immediately apparent.

Mr. **Steinberg.** Could you comment on how the concept of joint development of the individual written plan, as provided for in the Senator's amendment, if it would, in your view, aid in the rehabilitation process of a veteran with a serious employment handicap?

Dr. **Merrill.** Yes. You know, all people are different; that is a truism. But when you have a disability and among people with disabilities, you find a much wider range of individuality. It is because of that I think an individual rehabilitation plan is just essential. And, of course, the plan includes not only a careful assessment of abilities, but, also, goals; and the rehabilitation counselor can't set the goals alone; they have to be mutually arrived at goals.

So this, I think, is a very enlightened approach, cooperatively setting goals. They can be held tentatively for a while in order to see how realistic they are, but I completely agree with Mr. Roberts that you just do not know until you try.

And I like to see goals that represent a pretty steep mountain to climb but, who knows. I mean, this is the way people are rehabilitated, and it is the essence of the rehabilitation movement, as far as I am concerned.

Mr. **Steinberg.** Ed, have you been able to design mechanisms for evaluating your counselors so that they are willing to set those sort of goals, even though they may feel that the outcome is pretty unlikely in terms of full achievement of them?

How do you get around the problem that someone will look at that particular case and say, "Well, that was a failure. That person did not fully achieve that goal."?

Mr. **Roberts.** Well, we don't have a panacea. We have expectations of our counselors in terms of their attitudes toward disability. We try to help them deal with that as soon as they come into our agency.

We use things like role modeling and awareness training to help counselors understand the experience of disability. The most important factor, though, is having a top supervisor who understands the importance of taking risks for the clients and works with the counselor.

But it does occur in our system, and it occurs in just about every other system. The latest one I heard was the client who came from an interview and said to one of our counselors "I lost your job." It was a pretty good indication that the client had not been much involved in the process.

These are the kinds of thing we have to watch out for. The more we make people dependent on service deliverers, the less effective we are. The more that we help people become independent and find their own jobs, the better it is.

We don't use placement specialists in our vocational rehabilitation agency. Instead placement is an integral part of the counselor's job. If the counselor doesn't help people prepare for placement and follow up with them to make sure they are succeeding, then the counselor is not doing his job.

Mr. **Steinberg**. You were here earlier, I think, when there was a general agreement reached that the VA and RSA and GAO would get together and try to develop a system with respect to the sorts of data that are needed by the chapter 31 program, generally and specifically, in terms of a way of measuring success in the program and a way of measuring individual counselor success.

If you have some suggestions based on your experience in California on each of those aspects, we would urge you to share them with us and, particularly, share them with Bob and make sure that they get fed into that process. It would be very helpful if you would do that.

Mr. **Roberts**. We have been working very hard on this issue, especially on how to get accountability without doubling and tripling paperwork. We have just instituted a new system that will cut counselors' paperwork up to 60 percent. This will allow them much more time to work with clients. It is a matter of deciding what is the most important information; what you really need, how you get it, and who collects it. I think that if we were more selective in what we asked for and made sure we used the information we gathered we would have more accountability within the system.

I think this is a problem with the Veterans' Administration. It is a problem with rehabilitation services. They have a tremendous amount of data received from California and from other States that they don't use.

I hope we don't think of accountability as more numbers; it does not work that way.

Mr. **Steinberg**. Well, if you will share that information——

Mr. **Roberts**. We would be happy to.

Mr. **Steinberg** [continuing]. With RSA and with the GAO, that would be very helpful.

And if any of you, also, have some input on that which you could give to us and to the VA and the GAO and RSA, it would be very helpful.

Mr. Harris, I apologize for keeping you so long. You had the first crack, and now you get to be the cleanup hitter.

The committee is very well aware of the work of the National Urban League making very meaningful efforts to promote the employment of disabled and minority group veterans.

And we certainly want to extend our congratulations and thanks for everything you have done in that regard.

Mr. **Harris**. Thank you very much.

Mr. **Steinberg**. A major focus of your testimony is on the work of community-based organizations, such as your own, on behalf of those disabled veterans with the most severe readjustment types of problems.

Do you have a suggestion for us on how those kinds of efforts in the community could best be coordinated with the VA's vocational rehabilitation programs under the proposed legislation?

Mr. HARRIS. Mr. Steinberg, first of all, I would like to speak to the issue of the relationship between the employment development roles in regards to the Veterans' Administration and the U.S. Department of Labor. The National Urban League is in total agreement with the chairman's amendment to S. 1188, and without exception, supports the contention that job development and placement responsibility for severely disabled veterans should remain largely with the U.S. Department of Labor.

We are seriously looking at the targeted job tax credit provision, the Revenue Act of 1978—Public Law 95-600—which replaces the Vocational Rehabilitation Tax Credit and the Jobs Tax Credit, which expired December 1978. We feel that disabled veterans will benefit on a large scale if this provision, tax writeoff is enthusiastically pushed by job developers and accepted by private-sector employers.

In this regard, we find that we are more able to do this. In the community, we have a flexibility that I see the VA does not have as job developers being there.

We have what I like to think of as a sort of onestop specialized placement service. We have veterans who come in who have the problem of not being particularly sophisticated in searching for employment.

In that regard, I'm speaking in terms of 171, for gaining employment in the Government, in city or Federal. We assist in resumé preparation, all that has to be done, even for an individual to start using the targeted job tax credit.

At the VA, at this time, they simply do not have the facilities to sit an individual down, to analyze this person, to actually find out what the background of the person is.

It has been our experience to find that a lot of individuals, even with minimum skills, are not able to actually assess what skills are transferable into the job market.

So, I am looking at a person who can sit down with a person and give him more than 15 minutes. Even though the VA says, "We are in the placement business," they don't have the resources and, most of all, they do not have the time.

In the community, it is more than just a job, as far as we are concerned. It is a commitment.

As I pointed out, we have close to 700 placements. In the project, we only have eight people working in four cities, and they are usually at tables working from about 9 in the morning to about 7 or 8 at night.

I guess what I am saying, in talking to Dr. Wyant and the VA, there should be a means where we are working with the outreach program for the readjustment counseling program for Vietnam-era veterans.

I would like the bill to focus on locating these veterans in need of readjustment and then assuring that they are placed in viable and permanent employment. It has been determined that these veterans have legitimate and documented problems. Lack of meaningful employment could well be the root of their inability to adjust or at least, could certainly exacerbate it.

Where, then, does this individual go? You have to hook up with some person who is going to really sit down, on a 1-to-1 basis, and try to restore the self-worth back to this person.

So, my concern is that there is $9.9 million to locate people, but we have got to sophisticate it beyond the point of just finding this person.

And I think that these organizations—the persons are in the community. They feel, as much as possible, at ease there. There is a degree of trust.

So, the next step would logically be, in my interpretation, to transfer this person into this environment by dealing with some person who can really sit down, who is available to him on a walk-in basis.

I noticed at the VA yesterday, a person can sit in there for about 2 hours trying to get information that only takes 2 minutes. And the system really turns the person, more so, off.

So, in summary, to answer your question, we feel that there could be some arrangement between the Department of Labor, where a specific role or a specific action, to deal with these persons after they have been located, if they are in the community, the responsibility should be absolutely stated, the roles should be clearly defined between VA and DOL with employment development and placement the responsibility of DOL.

The Department of Labor, as far as I am concerned, with their resources and their DVOP and their CETA programs, are the most likely and most profitable avenue for dealing with these veterans whom they have identified.

That is my contribution.

Mr. Steinberg. With respect to the DVOP program, do you have a view that you want to share with the committee about the effectiveness of that program?

Mr. Harris. My view of the DVOP is that the DVOP's are in the State employment agencies. Within the State employment agencies, there is still that awesome, cumbersome bureaucracy.

What I have found is that the system is so cumbersome that, when an employer phones in a job vacancy, by the time it is processed, put on microfilm, it is gone. And that is one problem that I see that the system has built in.

But the DVOP, itself, is a very good concept; I see it as one. They are employing disabled veterans to work on a peer level with their own associates with common goals. That is very good.

But they are still locked into a system where there is, I guess you would call it, a civilian or government supervisor. And they still have to work within those frameworks, within the framework of the agency where they are.

Mr. Steinberg. In your testimony, you refer to the 441 veterans with more than 30-percent disability that you placed over the last 4 years and stressed the crucial role of energetic followup of the veterans that are placed.

Can you give us an indication of what sort of followup methods you use and how long after placement you provide followup?

Mr. HARRIS. Well, some we are still in contact with. We have—I like to have an annual one and a 6-month one depending on how late they have been placed.

With respect to our followup methods, we rely primarily on phone calls. We also utilize mailings, and site visits. The Disabled Veterans Employment Project staff also stresses and advocates a close one-on-one relationship with our veterans.

The association with the person that you really care is important. The knowledge that the person obtains that he has accessibility to you, even to the point of day or night, that's important.

We visit jobs sites to insure that the placed veteran is not experiencing difficulties in accessability or with job area.

And if there are any problems which may come up between the employer and the employee, we arbitrate, explain.

One of the things that I think the committee should be aware of is that employers, in a lot of cases, have no difficulties with hiring disabled veterans. But, often, they do not have the staff to deal with the little difficulties that may arise, especially with people who do not understand what problems severely disabled veterans experience, especially supervisors.

So, we find that we conduct a very crucial role in instances where minor problems come up and misunderstandings between supervisors or bosses occur; explain and speak on behalf of the veteran from our point of view and the contract that we have set up with this employer.

They understand that we are there if there is something that they do not understand.

Mr. STEINBERG. What is the longest that you have ever followed up, how long afterward, to your knowledge, have you stayed in contact with a particular person?

Mr. HARRIS. Right now, we are in the process of conducting a survey but, to give you a positive answer, I would say about 1½ to 2 years.

At this time we are conducting a survey for the specific purpose of determining how many of our placements are still on the job. Stability is especially critical here in Washington where there is such a high turnover in apartments, flight to the suburbs, conversion to condominiums, and demolition in the name of construction.

We are trying to locate where everybody is going, we also have to take into consideration that an unemployed veteran who has had problems may change employment and also have difficulty in keeping a stable address.

Mr. STEINBERG. We very much appreciate your comments on the adjustment of the incarcerated veteran and wonder if, for the record, you could expand specifically on how you think Senator Cranston's amendment would provide an incentive for positive change and rehabilitation for the disabled veteran who is incarcerated and how you think those incentives would work.

If you would give us that, for the record, in writing, that would be very helpful.

Mr. HARRIS. Yes, I shall.

[Subsequently, the Washington Urban League, Inc., supplied the following information:]

The following are suggested interface activities, which in the opinion of DVEP, would greatly enhance the employability of severely disabled veterans engaged in vocational rehabilitation process at VA hospitals.

(a) That community-based placement activities be given access to, local government micro-fische machines and afforded an opportunity to be kept up to date, on a daily basis of jobs available locally.

(b) That one-on-one relationship be encouraged between agency job developers and VA placement personnel in an effort to maximize transmission of job opportunities to agency veteran constituency.

(c) That an aggressive outreach and information program be implemented with the objective of assisting incarcerated veterans to take advantage of allowance provisions as contained in amendment No. S. 1661 of S. 1188. Community-based activities would consist of, but not be limited to, the following:

(1) Establishing relationship with the local jails, or prisons in order to identify disabled veterans who are eligible for vocational rehabilitation under the provisions of S. 1188 as amended.

(2) Counsel incarcerated veterans families in regards to the rights and benefits which are afforded them as dependents of disabled veterans.

(3) Visit jails and prisons with the objective of counseling disabled veterans for the world of work in the area for which they have prepared themselves under the vocational rehabilitation process.

(4) Act as agents or representatives in areas which, due to their confinement, incarcerated veterans are unable to accomplish themselves, i.e., counseling in areas of training, educational opportunity, etc. available within the immediate community.

(5) Conduct Peer-Support-Self-Help Sessions in an effort to combat "delayed stress reaction" and "Survivor's Syndrome". Please note the enclosed new changes description of the approach currently being utilised at DVEP affiliates in Los Angeles; Gary, Indiana; Jacksonville, Florida; and here in Washington, D.C.

(6) That the community-based organization counsel the minority disabled veteran on the rights and benefits available under section 8 of the Small Business Act (15 U.S.C. 633(b)).

(7) Assist the Administrator in his efforts to develop on-job training and employment opportunities for veterans with service-connected disabilities in cooperation with activities carried out by the Secretary of Labor, to employers and through Veterans' Administration coordination with Federal, State and local governmental agencies and appropriate nongovernmental organizations.

(8) The Disabled Veterans Employment Project staff shall conduct an intensive indoctrination into the "World of Work". Activities will include interview techniques, preparation of SF-171 and resumés.

(9) The project shall conduct active followup on all placed service-connected disabled veterans. Activities will include visiting of job-sites, telephone and letter communication.

(10) Conduct Outreach activities directed at less-than honorable discharge disabled veterans. Assist these veterans in efforts to upgrade their "bad paper" discharges so that their chances of obtaining viable and meaningful employment might be enhanced.

Chairman Cranston [presiding]. I will be back in the hearing now for a time. I apologize for my absence, but it was unavoidable. And I am sorry I missed much of the testimony that has been given.

I will have to leave again after a bit, but I am glad to have this opportunity to be present a while.

Ed, it is delightful to see you, in particular, all the way from California.

Mr. Roberts. Thank you. It is a pleasure to be here today.

Chairman Cranston. In the last page of your statement, you mentioned that the Disabled Veterans Employment Project has found that the general avenues for vocational rehabilitation often do not meet the needs of minority, poor, and less educated veterans.

What types of services and assistance are missing and needed to attract the interest of these veterans in VA chapter 31 programs and to meet their needs?

Mr. HARRIS. I find that what could be added is when an individual with a low-educational level or, let's say, a person who went into the war right out of high school, without any specific skills, who went into the Armed Forces, receives no specific training other than that possibly as an infantryman, came back out with a readjustment problem, he has no skills to offer.

The rehabilitation process, if it does not provide supportive services toward a definite skill and a placement—I think that is the most important thing, and that is what I would like to congratulate you on in your amendment; that you are now tailoring the rehabilitation process to actually place an individual.

We have a huge number of veterans—Mr. Lockett, himself, here, who is my administrative assistant—who is a disabled veteran, who went through the process, but was not guaranteed placement. So, after he went through his placement at Andrews Air Force Base, after his apprenticeship length of time was completed, Mr. Lockett was terminated from his vocational rehabilitation generated job.

So, he found himself back out with no job. His apprenticeship was as a dispatcher. He was terminated, so he was back out into the street, with no alternate skills.

So, I guess what I am saying is, again, I would like to congratulate you on trying to tailor the rehabilitative process toward jobs instead of just rubberstamping an individual to say that he has been or she has been through the process.

So, that is what is missing more than anything else, to define those vocations, perhaps even tailoring them to your general geographic area, to see that there are jobs in the community or jobs available at the completion of the particular commitment.

I would also like to see, added into that vocational process, the targeted job tax credit into perhaps contracts with those persons who the persons are sent to for rehabilitation training.

That would be a large step toward locking the person into his expectations, aspirations, and his gusto would be so much more beneficial to him.

Chairman CRANSTON. Thank you very much.

Mr. ROBERTS. I would like to say one thing. Your testimony brought out something that we discover increasingly—we all too often forget to look at people's transferable skills. We get them involved in a long-term training process and don't use the skills they may have acquired just by surviving out there on the streets. Day-to-day living skills are something we should build on.

I think one of the most encouraging things I have seen is self-directed placement. The burden is placed not on the counselor but on the client. We teach them the necessary job-hunting skills and place them in a group of other people, all looking for jobs. With this kind of peer reinforcement people help each other find jobs.

I have watched this process in two or three CETA projects involving severely disabled clients. They discover transferable skills and are getting good jobs. These people are doing a lot on their own and have a lot of confidence because of it.

As a department we can facilitate this kind of thing. I think the trend will continue, and we will get better at it.

I think people will take charge more and realize that if they are going to make it out there, they have to have the motivation to do it themselves. We can provide a lot of backup to help them continue to be successful.

This is an encouraging newer approach. I hope to see more of it.

Mr. HARRIS. We put a lot of emphasis on what we call the buddy system: Once you find a job, tell the next guy. He knows you can find one; I can find one.

And one thing we always do, when a person comes in and says, "I have worked for a year." Of course, then, you are going to want to know how he has been living; you know, "What have you been doing?"

And out of that, there comes some insight into what type of person this is and how he can make it or not.

So, there are some things that I am saying, out there, we can provide.

Chairman CRANSTON. Thank you very much.

Dr. Merrill, I am sorry I missed your testimony. I would like to thank you for the fact that I am permitted to work out on your running track.

Dr. MERRILL. Come on out any time.

Chairman CRANSTON. I often run with some of your fine athletes there.

I was unceremoniously booted off your track when I tried to practice my bicycle riding there one time.

[The prepared statements of Mr. Harris, Dr. Merrill, and Mr. Roberts follow:]

PREPARED STATEMENT OF ROLAND L. HARRIS, DIRECTOR OF DISABLED VETERANS EMPLOYMENT PROJECT, WASHINGTON URBAN LEAGUE, INC., AFFILIATE OF MILITARY AND VETERANS AFFAIRS, NATIONAL URBAN LEAGUE, INC.

Mr. Chairman and Members of the Committee, thank you for the privilege of appearing before this most distinguished Committee to present the views of the National Urban League, Inc. with respect to pending legislation.

My name is Roland L. Harris. I am director of the National Urban League's Washington affiliate of the Disabled Veterans Employment Project.

National Urban League has often sought recognition of the fact that needs of minority, economically, and educationally disadvantaged disabled veterans are unique. Although Congress has begun to recognize the needs of our constituency, we request additional special consideration be given to these needs.

Recently the Veterans' Administration has officially recognized this unique category of disabled veterans through inauguration of their "Outreach Program" aimed at assisting Vietnam era veterans who have experienced persistent difficulties in re-entering the mainstream of American life.

It must be understood by those persons who are in policymaking positions, those who truly believe in justice and right, that America must indeed show special concern for meeting the needs of those who are disabled as a result of wartime service in the country's Armed Forces.

Unemployment is on the rampage, especially in our cities, disability benefit payments are steadily being eroded by inflation, and antidiscrimination and affirmative action programs targeted at minority disabled veterans are less than effective. Unemployment statistics show that black and minority veterans comtinue to bear "a totally disproportionate" share of the Nation's unemployment. And since the economic outlook for the 1980's does not present a very bright nor optimistic outlook for our disabled veterans, we can expect unemployment among black veterans in the Nation's cities to escalate to the point where only the most determined will stand even a small chance at obtaining even the least denigrating and economically rewarding job.

Perhaps, if the military's promises of valuable work experience were true, veterans would not be experiencing such high levels of unemployment. But, a series of studies have well documented the low rate of transferability of military training to civilian life. A survey by the National Opinion Research Center found that 2 in every 5 Navy and Air Force veterans and 2 in every 7 Army and Marine Corps veterans had expected their military experience would be of value. But only 1 in 12 (8.9 percent) actually made considerable use of his training.

This has been reinforced in the findings of other studies as well. For example, a report by economists at the University of Maryland indicated that only 16 percent of Army veterans and 28 percent of Navy veterans found work which related to their military training. "Not only was there a relatively low rate of utilization of the skills," the authors concluded, "but we found that the market did not work effectively in aiding those veterans who were interested in using their service experience.

For veterans who did not look and find jobs related to their military experience, we inquired about benefits received and whether, in fact, these were attributable to the military experience. We found that half of the Army veterans (who found related jobs) received no benefits at all as a result of their military experience. They said that there were no monetary or job characteristic rewards.

A study of problems faced by economically and socially disadvantaged veterans, conducted by the Bureau of Budget, disclosed the same pattern. If any group stood in need of benefiting from military training, it would be the disadvantaged. But the study found that only 10 percent of employed veterans had used skills acquired in the military since they had been discharged.

Cumulative data for fiscal year 1975 through the first half of 1979 reveal that more than 4.7 million job openings were listed with employment/job service offices, "even so, a mere 440,000 or 9.3 percent of the jobs sent to disabled veterans, according to Ronald W. Drach, national director of employment, Disabled American Veterans.

Other programs proving ineffective due to weak enforcement of laws and regulations include the 10-point preference granted to disabled veterans in Federal employment and the Vietnam readjustment appointing authority, which allows Federal agencies to hire certain Vietnam era and disabled veterans noncompetitively.

Ronald Drach has also pointed out that minority veterans of the Vietnam era suffer a much higher unemployment rate than white veterans. "A disabled minority Vietnam era veteran goes into the job market with three kinds of discrimination working against him," said Ronald Drach. "This is a problem that must be examined more closely."

Drach also said that 1.1 million Vietnam era veterans—10 percent of the total Vietnam era veteran population—sought employment assistance at employment/job services offices in fiscal year 1979.

Employment opportunities within the ranks of Federal and State governments for the unemployed is all but nonexistent—merit promotion, or promotion from within is the order of the day. Budgetary constraints, bankrupt businesses and failing industries, all combine to impact upon disabled veterans chances of obtaining viable and meaningful jobs.

We wholeheartedly support Mr. Cranston's amendment, and the intention of the two other bills, addressing the Veterans' Administration's need to gear itself up to provide as an integral part of their vocational rehabilitation program, services specifically designed to assist the veteran to achieve maximum independence in the functions of daily living, and to achieve economic independence through more effective job development and placement mechanisms.

Mr. Chairman, passage of S. 1188, as amended, and H.R. 5288, will provide an employment mechanism for those numbers of veterans who have unfortunately fallen out of the system. The National Urban League, through its operation of the Disabled Veterans Employment Project has long experience working with this category of disabled veteran whose life style and experiences have not been adequately addressed by the system.

The current outreach effort which the Veterans' Administration is operating, is a step toward identifying this unheralded, and unheard from group of veterans. The concept is valid, the intent of the "outreach" centers is honorable, nowever, after locating and identifying these veterans who have "given up" on the system—what then? These disabled veterans are to be found within the communities where they have established roots, have families, friends, and peers. It follows that community-based organizations and activities which exist within the community, and are recognized as legitimate, and as helpers, should become recognised developers of employment opportunities for their disabled sons and daughters who served so faithfully when called upon by their country during a time of crisis.

S. 1188, section 1501(6), defines "serious employment handicap" as a significant impairment of an individual's ability to prepare for, obtain or retain employment consistent with such individual's abilities, aptitudes, and interests.

The amendments definition, as contained in section 1501, is indeed broad and all encompassing. The National Urban League views this interpretation and definition as a positive step toward addressing the needs of the unskilled, and those veterans for whom rehabilitation within the meaning of the term "rehabilitation" as contained in section 1501(4) of S. 1188, proves unproductive, or is not consistent with the veterans abilities, aptitudes and interests.

We have found, through having served hundred's of disabled veterans, that these categories of individuals are indeed constituting the "flotsam" from the Navy, Air Force and Army.

Mr. Chairman, the Disabled Veterans Employment Project has found that for unskilled, or marginally rehabilitated veterans, the community-based employment development resources, provide a vital service. We are in total agreement with the amendment to S. 1188, that provides for the continuation of the agreement between the Veterans' Administration and the Department of Labor, and the inclusion of community nonprofit organizations, in the number of resources to which the unemployed veteran can turn to for assistance in the area of job development and placement.

We feel the attention of the Committee should be particularly directed to action programs at the community level. The National Urban League's Disabled Veterans Employment Project, with affiliate projects located in Los Angeles, California, Gary, Indiana, Jacksonville, Florida, and Washington, D.C., work together on behalf of veterans in general, but minorities for the most part.

Disabled Veterans Employment Project has found that the Vietnam era disabled veteran suffers from a set of unfortunate and unsurmountable circumstances.

The National Urban League (Disabled Veterans Employment Project) requests that this unique group of disabled veterans be provided the attention, resources, and consideration with which they might overcome the social, economic, and educational barriers which impede their leading fruitful, satisfying, and rewarding lives.

Through an aggressive program of employment development, job placement and followup, the Disabled Veterans Employment Project has successfully placed 441—30 percent or more disabled veterans, 244 long term unemployed veterans which include a large number of 10–20 percent VA verified disabled veterans, and 125 others in meaningful, viable, and satisfying employment since 1976.

The Disabled Veterans Employment Project placed greatest emphasis upon locating veterans into opportunities in private sector employment openings with established career ladders. Every effort was made to tie-in with local ongoing employment and employment development programs operated by Federal, State, and local agencies and to encourage them to employ the Urban League's Disabled Veterans Project as a resource for veteran candidates for employment. Information exchange operations established with local offices of the U.S. Employment Service, Veterans' Administration, National Alliance of Businessmen, etc., provide suitable veteran applicants for existing job openings and in return to receive information on listings of employment requests suitable for veteran placements.

Disabled Veterans Employment Project has found that energetic followup of veterans placed through these associations and through the program during the project period often makes the difference between the successful adjustment to the world of work for the veteran.

The Military and Veterans Affairs Office of the National Urban League cannot over emphasize the importance and urgency of Congress providing close-in, community-based job development resources for those Vietnam era veterans who for the most part suffer psychological readjustment problems and are unable to obtain, and retain, employment which provides them a measure of self-worth, and a degree of pride and dignity.

We must also be cognizant of the problems of incarcerated veterans. S. 1188, as amended would also amend eligiblity for subsistence allowance for a veteran who is pursuing a program of vocational rehabilitation under chapter 38 while incarcerated in a Federal, State, county, or local prison or jail. Such an amendment mandates that if such veteran has no dependents, the Administrator shall withhold such allowance while subject veteran is so incarcerated and pay such amount to veteran upon veterans' release from prison or jail. It would also provide that if the veteran has one or more dependents, the Administrator shall pay such allowance to veteran's dependent or dependents (or legal guardians) designated by the veteran to receive allowance. It would direct the Administrator, in cases where the veteran does not designate a particular dependent to receive allowance, but only to the extent that both the veteran and the designated dependent or dependents (or legal guardian) thereof so request. The above provision would undoubtedly act as a stimulant, or catalyst in the area of the rehabilitative process for the large numbers of Vietnam era disabled veterans behind bars. These veterans though, out of the system, continue to bear responsibility for wives and children. Being able to participate in the rehabilative process, earn an allowance, and sorely needed skills in the interim, can only provide a source of "hope" and future for veterans who have run afoul of the law—perhaps due to their readjustment problems and total lack of marketable skills through which to earn a living. We feel this is a positive step in helping those veterans who also face the burden of being an ex-offender.

Section 1501(7) amends the term "serious employment handicap" to mean a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with an individual's abilities, aptitudes, and interest. Unfortunately, we at the Disabled Veterans Employment Project have found that the general avenues for vocational rehabilitation often do not include provisions for the minority, or poor, low level educated veterans.

It is on behalf of this segment of disabled Vietnam era veterans for whom our plea is made. Although efforts at working on their problems are being improved, we all know much remains to be done.

The National Urban League's Disabled Veterans Employment Project would like to congratulate the Committee, and the Chairman in particular, in regards to its continuing concern for those who have sacrificed, served, and given of themselves, often to their ultimate inconvenience and physical disadvantage.

PREPARED TESTIMONY OF DR. EDWARD C. MERRILL, JR., PRESIDENT, GALLAUDET COLLEGE

Mr. Chairman and Members of the Committee: My name is Edward C. Merrill, Jr. I serve as President of Gallaudet College, the national college for deaf persons in Washington, D.C. Although the College receives substantial Federal funding in order to achieve its mission, it is under the direction of an independent Board of Trustees. I am an honorably discharged veteran of World War II with lengthy overseas service.

I am appearing before the Committee for the purpose of presenting testimony on S. 1188, the administration-proposed "Disabled Veterans Rehabilitation Act of 1979" which would amend title 38 of the United States Code to improve and modernize the vocational rehabilitation program for service-connected disabled veterans under chapter 31. In developing this testimony I have had access to "A Study of the Provisions for Veterans Vocational Rehabilitation," a report prepared by the Veterans' Administration, dated October 5, 1978. I have also reviewed a "Summary Report of the Vocational Rehabilitation (chapter 31) Program Evaluation." This was a study prepared by the Veterans' Administration and submitted to the Committee on Veterans' Affairs of the United States Senate on October 5, 1979. The major focus of this testimony will be on Amendment No. 1661, proposed by Senator Alan Cranston.

At the outset of this testimony I should like to make clear the context from which I speak. Gallaudet College serves early and profoundly deafened students from across the United States. A large percentage of these students are eligible for and use financial support from various State rehabilitation agencies. The College has served a few deafened or severely hearing impaired veterans whose disability was connected with active military service. Inasmuch as the number of disabled veterans served by Gallaudet College has been small, my reason for preparing testimony stems from another quite successful activity of the College.

Gallaudet College, as mentioned previously, serves severely handicapped persons. The median age of the onset of deafness for Gallaudet College is birth. This means that well over half of the students were deafened either at birth or within one year before the development of language. Students attending Gallaudet College have an average hearing loss in the better ear of 95 decibels. This is in the range of profound deafness. In spite of this, Gallaudet College has an unusually high placement rate of students who are graduated from the College. By the opening of a new semester in August, the College has generally placed between 84 and 87 percent of the graduates seeking employment who received their diplomas the preceding May. Gallaudet College manages to do this by orienting its liberal arts majors toward the job market, by interesting employers (particularly large corporations) in the employment of well educated deaf persons, by assisting students obtain actual work experiences through cooperative educational arrangements with businesses long before they complete their degrees, by orienting businesses to the capabilities of deaf employees, and by assisting businesses to understand and to respond to the various laws and executive orders which promote the employment of disabled people. It is from this point of view, Mr. Chairman, that I have developed testimony for this Committee. I am not an expert in rehabilitation services, nor am I an expert in veterans affairs. I hope, however, that my review of the amendment from a position of involvement with severely disabled persons, particularly in the light of our efforts to acquire job placement, will be helpful.

Having read the above mentioned reports, I am aware of some of the problems which have been identified such as the apparent narrow definition of vocational rehabilitation in chapter 31 which, incidentally, does not provide specifically for special services for blind and deaf people. What I should like to do now in the brief time that I have before this Committee is to react as succinctly as possible to those provisions of Amendment No. 1661 on which I feel qualified to comment.

In my opinion the expansion of the purposes of chapter 31 to enable the disabled veteran "to obtain and maintain suitable employment" is necessary and goes considerably farther than merely promoting the development of on-the-job training and employment opportunities. This is particularly apropos with the rapidly advancing technology of today. A disabled veteran can be trained for a job, obtain it, and then see his skills become obsolete within a 4- or 5-year period. I noted with a great deal of interest that the amendment would permit special assistance to the severely disabled veteran who needs homebound assistance in order to keep a job or homebound employment. Services of this nature are required and justified for severely disabled persons. We have seen this at Gallaudet College in cases of deaf students who are also blind or who have severe cerebral palsy in addition to deafness. With education and some assistance these persons can become employable and reasonably independent. Restatement of the purposes of chapter 31, therefore, seem entirely appropriate to me and directed toward solving some of the problems which have surfaced in the studies of services for disabled veterans.

I notice with a great deal of interest the intention to improve the authority for and the range of diagnostic, evaluative, counseling, pretraining, training, and other services needed to provide adequate rehabilitation and employment skills. I support these provisions and feel they could result in truly significant outcomes for disabled veterans. Please permit me to elaborate. Any severe disability creates a trauma which affects not only the physical part of the body, but which has a major impact on the mental and emotional conditions of the individual. Research in the personnel field has indicated that many people do not obtain jobs or, once obtaining them, lose them, not due to lack of skill or ability to perform the task at hand. They do not get the job or lose it because of attitudinal factors which include perception of self, perception of others, and interpersonal relationships. Unfortunately, obtaining progress in personal adjustment is often more time consuming and difficult than job training. Furthermore, progress in the area of personal adjustment sometimes requires not only the skills of a psychologist, psychiatrist, or counselor, but a team of people who share their expertise in an effort to assist a person to come to grips first with himself and then with others. Provisions in the amendment would permit the coordination of the services better than before and would also enable the "hidden" (emotional) disabilities of the physically injured veteran to be dealt with. This could go far in enabling the disabled veteran to obtain employment, maintain it, and live independently.

The section of the amendment (1507) requiring individualized vocational rehabilitation plans is very much in line with other Federal legislation for handicapped persons. For example, the Education for All Handicapped Children Act (Public Law 94-142) requires that each handicapped child shall have an individualized educational plan, an "IEP." It is a truism to say that people are different. Obviously people vary greatly in their abilities, education, interests, and aspirations. The imposition, however, of a severe disability makes people even more different.

They are confronted with new challenges quite often even for the performance of routine activities. If managing routine tasks of living become a challenge, the challenge of obtaining and holding a job can become overwhelming. Probably the most important approach to this complex situation is to design a vocational rehabilitation plan specifically for the individual. People can learn to face the demands of daily living and work provided they see themselves overcoming their unique problems on a day by day basis. An individualized vocational rehabilitation plan also has the advantage of becoming a clear contract between the disabled veteran and the agency providing services to him. I support the provision in this section of the amendment.

From my point of view, the provisions in the amendment that would permit less seriously disabled veterans who may have chapter 34 eligibility and entitlement to receive some benefits also under chapter 31 is consistent with goals of permitting veterans with disabilities to have maximum independence without the loss of needed services. Some disabilities might require access to counseling, particularly counseling focused on adjustment problems, but not require any special training mode at all. Yet, the counseling services could be vitally important not only to the completion of the training program but subsequent placement and continued employment.

Finally, Mr. Chairman, I should like to support the provisions of the amendment which increase the duration of service and assistance for disabled veterans. Some of our disabled veterans have intellectual abilities which the Nation can ill afford to lose, even though they may have disabilities which severely impede their mobility. For example, they need not be excluded from pursuing professional goals which require masters degree. The extension of the 48-month limit under specified conditions seems entirely appropriate.

In summary, I have reviewed Amendment No. 1661 to S. 1188, the Disabled Veterans Rehabilitation Act of 1979, and am generally in accord with its provisions. From my point of view as an administrator of a college which is providing education and placement for a significant number of disabled (deafened) persons, the proposed amendment addresses some of the major problems which have been identified in studies of disabled veterans benefits. The purpose of the Act has been expanded, better coordination of services is proposed, more flexibility in the provision of services is possible, a higher level of attainment on the part of the disabled veteran is available, and provision is made for more individualized vocational rehabilitation plans. All of this should lead to more independent living. Of course, the increase in independent living is a direct means to the development of a wholesome acceptance of oneself and an acceptance of one's society. Mr. Chairman, I commend you and this Committee for proposing an amendment which should result in vocational rehabilitation services that are responsive and effective and which will enable our veterans to live with pride and dignity in spite of disabilities which may be with them for the remainder of their lives.

Prepared Statement of Edward V. Roberts, Director, State Department of Rehabilitation, State of California

I. Commend efforts by Congress, Veterans' Administration to modernize and expand chapter 31

(A) Existing legislation has not kept pace with recent developments in rehabilitation and, hence, unnecessarily denies critical benefits to veterans.

II. Discussion of amendments by Senator Cranston with particular emphasis on independent living provisions as set forth in sections

(A) Background and history of independent living programs—the cornerstone of rehabilitation services.

(1) Berkeley, California, program—the beginning.

(2) Independent living programs in California.

(3) Projected development under section 702 of the Rehabilitation Act Amendments of 1978.

(B) An analysis of S. 1188 and Cranston amendments thereto (No. 1661).

(1) S. 1188, while it embodies the concept of independent living programs and services, fails to specifically set forth the scope of services and assistance which are to be provided.

(2) Cranston amendments provide clearer guidelines.

(C) Suggestions and recommendations for additional amendments to No. 1661.

(1) In sections 1500, 1501(3), and 1501(8) (page 2, lines 7 and 8; page 3, lines 8 and 9; page 4, lines 17 and 18) the phrase "to achieve maximum independence in functions of daily living" should be changed to read "to improve significantly the ability to function independently in family and community".

The latter language is borrowed in part from section 702 (29 U.S.C. 796(a)) of the Rehabilitation Act Amendments of 1978 and provides a more comprehensive and accurate definition of the concept of independent living.

(2) In section 1504(a)(i), (page 8, line 20) the phrase "cause a serious employment handicap" should be changed to "cause a serious handicap to employment or independence".

In the same section (page 8, line 24) the word "or" should be changed to "and/or". As presently drafted, the proposed amendments treat independent living and vocational rehabilitation as mutually exclusive programs. In fact, independent living is often a vital component of successful vocational rehabilitation. The proposed changes are intended to clarify this relationship.

(3) In section 1506 (page 12, lines 21 and 22) the title should be changed to read "initial and extended evaluations; determinations regarding serious handicap to employment and/or independent living".

This change is intended to insure that a veteran, where appropriate, will receive independent living services prior to or concurrently with evaluation of rehabilitation feasibility.

(4) Section 1509 (page 24, lines 3–10) should be changed as follows:

"A veteran whose disabilities limits his ability to function independently in family and community shall be entitled to a program of independent living services."

The present language once again treats independent living and vocational rehabilitation as mutually exclusive. The proposed change will remedy this conceptual error.

(5) In section 1520 (page 33, lines 18 and 19) the phrase "as to whom it is determined that the achievement of vocational goals are not feasible" should be changed to "who have disabilities which limits his ability to function independently in family and community". See discussion supra.

III. Discussion of section 1520 in proposed amendments

(A) Critical that VA contract with existing programs who have developed expertise, etc.

(B) Example: Center for Independent Living Program in Berkeley, Los Angeles, and VA facilities in Bay area.

Chairman CRANSTON. We will now proceed to the sixth panel, John F. Heilman, national legislative director, Disabled American Veterans, John Fales, employment director, Blinded Veterans Association, and R. Jack Powell, executive director, Paralyzed Veterans of America, accompanied by George Conn, national research director.

TESTIMONY OF A PANEL CONSISTING OF: JOHN F. HEILMAN, NATIONAL LEGISLATIVE DIRECTOR, DISABLED AMERICAN VETERANS; JOHN FALES, EMPLOYMENT DIRECTOR, BLINDED VETERANS ASSOCIATION; AND R. JACK POWELL, EXECUTIVE DIRECTOR, PARALYZED VETERANS OF AMERICA, ACCOMPANIED BY GEORGE CONN, NATIONAL RESEARCH DIRECTOR

Mr. HEILMAN. Mr. Edmiston, like so many of us, has the flu, and could not be here this morning.

Chairman CRANSTON. I am sorry to hear that.

Mr. HEILMAN. Senator, in my prepared statement, we have our organization's comments relative to the VA study that was mandated by Public Law 95-202 and, also, the more recent VA program evaluation pursuant to section 219 of title 38.

First of all, I should make the point that all of the pending legislation reflects the recognition that the VA's vocational rehabilitation process is really meaningless if, in fact, once a veteran has completed his training, he is not placed in gainful employment parallel to the goal that was pursued during the training.

So, consequently, the administration bill, the House passed bill, and your amendment all get the VA directly involved in job placement and job retention. This is most necessary and has been, I think, echoed by all the witnesses this morning.

I do want to say that our organization is most impressed with your amendment to the administration bill. We find many meaningful material program improvements.

I do want to first point out that we do have a position that is in support of the administration in their open-ended concept toward eligibility for chapter 31 benefits. We do believe that, if it is determined that training or retraining is necessary due to a service-connected disability, the delivery of services should be there.

Also, we recognize the fiscal restraints that are imposed upon the Congress, but, nonetheless, we do have the ultimate goal that chapter 31 subsistence allowances should be brought up to a level that is comparable, at least, to those offered chapter 34 trainees.

Though certainly the administration does not have such a proposal in their bill, I do note their program evaluation noted the disparity and recommended consideration toward that end.

Getting back to your bill, Senator, again—pardon me—your amendment, I want to congratulate you and the members of the committee and your staff for the program improvements that you have in there.

Just briefly, let me say that we are pleased to see that you do provide basic entitlement to chapter 31 benefits to any honorably discharged veteran who has a compensibly rated service-connected disability. That is absent from the House-passed bill.

You also have a 10-year eligibility period which is comparable to the eligibility period allowed to chapter 34 veterans and which is not contained in the House-passed bill.

Your provisions are flexible for training and retraining, when necessary. And we also believe that the provisions relating to feasibility are liberal and will, in fact, assure that, if feasibility is not initially determined or achieved, there are further avenues to attempt to secure feasibility for veterans so that they can commence training.

We are pleased with your improvements to the revolving fund program, your independent living services program and the fact that you do allow the chapter 31 trainee, when necessary and in certain geographical locations, to make use of the chapter 34 training allowances.

And I want to also say that we definitely are very pleased with how you would treat the incarcerated veteran by, in essence, not limiting or removing the entitlement that he has earned.

And I do want to say that if any one category of disabled veterans is in need of vocational rehabilitation, it would be the veteran who is in prison. I am sure that use of his chapter 31 entitlement may very well mean the cessation of criminal activity and associations and the return of the veteran, upon release from prison, to a productive role in society.

One final point I wish to make with respect to section 205 of your amendment, whereby you inject into the claims process for unemployability ratings the diagnostic evaluation by chapter 31 personnel before the rating board actually makes its decision as to whether or not unemployability benefits should be granted to the veteran.

I understand the disincentive theory that is behind your proposal, and I agree with its validity. However, I do wish to point out that, presently, on VA rating boards, you will find occupational specialists and a medical member of the board who, in unemployability claims, do, in fact, look at the question: Is the veteran's service-connected disability preventing him from gaining or regaining gainful employment?

To this degree, then, we feel the expertise and examination that section 205 wants to inject into the claims process is already present.

We feel it is duplicative, and might add additional burdens of time and cost to the claims process.

I do want to state that we would not object to getting chapter 31 employee input into this type of disability claim, after the determination has been made by the rating board so that, if there are borderline cases, rather than staying on code 18 benefits and perhaps having initiative stifled, an attempt could be made to get the veteran into a productive role.

With that, let me just say again, Senator, that your amendment is very fine, and assuming that it is passed by the Senate and referred to the other body, we will do what we can to support the provisions that I have enumerated today over on the other side.

Chairman **Cranston**. Thank you.

In regard to job development and employment assistance under new section 1517 in the amendment, I would like to know whether or not you see a need for greater direct VA efforts in this area or whether strengthening the working relationship between the VA and the Department of Labor and other available job placement services is a better course to follow.

Mr. **Heilman**. No, sir. I believe the Veterans' Administration should aggressively get into job placement and, also, continue such oversight to insure that a job, once obtained, is retained.

Chairman **Cranston**. Would the rest of you agree on that?

Mr. **Fales**. Yes, sir.

Chairman **Cranston**. Any dissent?

Mr. **Powell**. We will reserve judgment.

Chairman **Cranston**. Under new section 1508(f) of the amendment, only those chapter 31 participants determined not to have a serious employment handicap would be allowed to elect the chapter 34 equivalent educational assistance allowance.

Should this option be available, in your opinion, to all chapter 31 participants who have chapter 34 eligibility and entitlement regardless of whether they have a serious employment handicap?

Mr. **Heilman**. Speaking for the DAV, sir, we do, as I alluded to earlier, believe that the subsistence allowances for 31 trainees should be brought up to the 34 level.

So, I would answer yes.

Chairman **Cranston**. Do the rest of you agree with that?

Mr. **Fales**. Sir, I think that the biggest difficulty with the chapter 31 benefits is that the veteran does not know that he is eligible for chapter 31 and some of the advantages of chapter 31.

I think an individual should have the same amount of money under chapter 31 as chapter 34, the reason being that he needs that testing, that counseling, job modification, reengineering, and this basic followup which we want to see until he does get a viable occupation which is important.

And I think we are losing track if we kind of fragment it and say, "Well, listen, you are eligible for chapter 31, but you can be eligible to have the 34."

I think we should just increase chapter 31 subsistence allowance commensurate with chapter 34.

Chairman **Cranston**. Thank you very much. I want to say that I'm sorry I will not be able to hear your testimony, Mr. Fales, nor yours, Mr. Powell. I have to leave again, but I will be reviewing your statements and your responses.

Jack, I would like to say to you that we welcome you in your new capacity as Executive Director of the Paralyzed Veterans of America, and look forward to working very closely with you.

Thank you very much. And I apologize to the other witnesses that will be coming on shortly, but we will be in touch and be paying eager attention to your advice. Thank you very much.

Mr. STEINBERG [presiding]. Mr. Fales, do you want to proceed, now, with your testimony?

Mr. FALES. Well, I have submitted the written testimony.

Mr. STEINBERG. That will be put into the record.

Mr. FALES. Excellent. I do want to, on behalf of the Blinded Veterans' Association, extend to the Senator and the chairman and the other members of the committee thanks for giving us the opportunity to appear before this distinguished committee today.

I do want to kind of discuss some of the modernization efforts of this committee in your amendment to S. 1188, and try and deal with the concerns that specifically deal with the blinded veteran and, also, the severely disabled veterans.

One avenue that concerns me is the independent living proposal, and we wholeheartedly support this proposal.

In my written testimony, I point out that we do have blind rehabilitation facilities, the Veterans' Administration does, in Palo Alto, Calif.; Hines, Chicago; and Westhaven, Conn., and there will be an additional one in Birmingham, Ala.

And they have a comprehensive rehabilitation program. Unfortunately, it only takes a year to get in there. So, it is essential that we expand that service to our blinded veterans so they can continue on with their vocational needs.

They are sophisticated programs; they are essential and they are necessary. And I would like to see an expansion of the individual living skills, such as maybe apartments or a complex associated with it.

And this, I believe, would be advantageous and would be much better than contracting out to other nonprofit and public facilities.

Mr. STEINBERG. Mr. Fales, as was indicated earlier, we think that is an excellent suggestion. We are very well aware of the blind centers and the outstanding work that they are doing, generally, in the Veterans' Administration.

And we agree with you that the VA ought to have the option to provide some independent living services if this pilot program is enacted through those centers, and the legislation will so reflect that.

Mr. FALES. Excellent. Thank you so much.

Also, the Blinded Veterans Association concurs with the Veterans' Administration, GAO, the Committee on Veterans' Affairs in action of the Veterans' Administration in regard to job placement.

This—I think you can see this in regard to only 20 percent of all disabled veterans are taking the opportunity of chapter 31 benefits. I think there are two reasons why this exists: No. 1, individuals are not aware of their benefits, as I point out in my testimony, and if the Veterans' Administration would evaluate the application when they submit it for chapter 34 benefits, they let the individual disabled veteran know that he is also eligible for chapter 31 benefits, then that might enhance the program or help this individual get into the chapter 31 system.

I would also suggest that I think this is also true in the chapter 34 program; if an individual is not college material or does not have—may not have the potential to go to the college or maybe not have the potential or not want to or wish to, then he is going to drop by the wayside because you have to deal with on-the-job training.

And this is where the work starts, and this is where it is essential, within the VA vocational rehabilitation system and within the chapter 34, to be able to evaluate the individual, to kind of gear him toward a specific job, job training, dealing with apprenticeships, and working very closely on getting that individual geared toward a viable vocational goal without him going through college.

So, I think this is what is needed.

I mentioned also in my testimony about the Veterans' Administration emulating the California revolving fund for small businesses for the severely disabled. They would have this fund—there's millions and millions of dollars out there of handicap assistance loans at 3 percent money at SBA.

Unfortunately, you need some moneys to be eligible for it. So, if the VA can get a revolving fund where they can put up maybe $10,000 and assist them with the initial moneys to be eligible for the SBA handicap assistance loans, I think that would also be beneficial.

This was not in my written testimony, but I would like to mention that, since we have been discussing the 1973 Vocational Rehabilitation Act—and I believe that we have been—it has been quoted in many areas and it is a guideline.

But in that legislation, there was a White House conference on handicapped individuals, and I would like to see a White House conference on veterans, and make it part of this legislation, also.

I don't know about the timetable, but I would, either tomorrow or the next day, like to put in some draft regulations, put it into the record, if that is possible. They are some of the ideas that a group of Vietnam veterans around town got together.

Mr. **Steinberg**. I think you will have that opportunity, Mr. Fales, in connection with your appearance before the committee on March 27, I believe. And we will certainly be glad to receive any appendixes to your testimony of any general veterans issues, at that point.

Mr. **Fales**. I really appreciate it. I just want to again, at this time, extend to you and please extend to Senator Cranston, the chairman, and other members of the committee, on behalf of the Blinded Veterans Association, our deepest gratitude for all the work you have done on and many hours spent on this viable legislation. Thank you.

Mr. **Steinberg**. I certainly will pass that along, and thank you very much.

Mr. **Powell**. It is, indeed, a pleasure this afternoon to present some of the views and concerns of Paralyzed Veterans of America concerning the proposed legislation.

Vocational rehabilitation is of a special interest to PVA, considering the fact that virtually all of our members are 100 percent totally and permanently disabled.

We come to this legislation from perhaps somewhat a unique vantage point, considering the fact that a significant percentage of our membership is not eligible for chapter 31 benefits.

We have been forced to become very familiar with the Rehabilitation Act and the vocational rehabilitation programs available to civilians.

Going at this late stage in the day, I have had an opportunity to sit and go over my testimony and tick off the points as they were raised by many of the others who testified here much more eloquently than I can.

The one thing that I think was pointed out, but I would be remiss if I did not go back and point it out is that GAO seems to have a misunderstanding of chapter 17, nursing home and institutional care versus independent living centers and perhaps their comments would be more appropriate if they better understood the chapter.

Rehabilitation, as Ed Roberts said, is no longer merely the ability to function and the focus simply is not on getting to a level of employability.

For the VA to continue to look simply at bringing someone to the level of employability is for the VA to stay where it was in 1946.

At that time, insofar as spinal cord injured veterans were concerned, the life expectancy was 6 to 18 months.

Based on that, there was no real interest in providing any training in any vocational objectives for these people.

That attitude, unfortunately, has not changed in the intervening years, in spite of the improvements in medical rehabilitation.

In order to be effective, vocational rehabilitation programs must encompass psychological, social, and physical rehabilitation as necessary parts to the vocational rehabilitation that is applied.

It is also important to address the eligibility period. There are, presently, many veterans, service-connected, fully eligible for chapter 31, except for the fact that they have gone past the eligibility period.

If the eligibility period is waived and, we hope, in fact, that it will be rescinded, we believe that it is essential for the Veterans' Administration to conduct an outreach program and to contact veterans who, otherwise, are eligible for chapter 31 and have, thus far, been hesitant to accept chapter 31 training.

Many people are well aware of—and I have had, personally, the opportunity to testify in the past before other committees on—the benefits of rehabilitation to disabled people and what it provides to our economy.

So, there certainly is not much sense in going back over that information.

It is interesting for PVA to have learned through surveys that they have conducted that the number of seriously disabled veterans who view future employment as a likely possibility is nearly three times as great among those who have had vocational rehabilitation training as it is among those who have not.

It is also interesting to notice that, among catastrophically disabled veterans who are presently employed, twice as many have received vocational rehabilitation as those who have not.

For the simple reason such as this, PVA supports the initiative to create a viable, vocational rehabilitation program in the Veterans' Administration. We do have a number of concerns, however, among the various proposals. And some of those are the following.

We strongly support, as has everyone else, with one exception, in their testimony here today, inclusion of independent living centers in any revision of chapter 31.

PVA believes that the greatest weakness in chapter 31 has, in the past been, as I earlier mentioned, the definition of "rehabilitation."

And, hopefully, this will be addressed as it is addressed in the bills.

Unlike the Rehabilitation Act of 1973, the present chapter 31 program ties the veteran to a rigid, specific objective through the vocational rehabilitation process.

PVA believes especially in the instance of catastrophically disabled veterans, that they should be encouraged to select a deferred objective during the initial stages of vocational rehabilitation, as addressed in section 1506 of Senator Cranston's amendment No.1661 and, further, urges Congress to include new legislation a mandate for the VA to provide extensive vocational evaluation facilities.

Perhaps, most important of all, regardless of what the final inclusion in a new VA vocational rehabilitation program is, is the management, delivery, planning, evaluation, and monitoring of the program as it relates to the individual veteran, as it can be used as a tool to evaluate overall effectiveness systemwide.

Where the individual is concerned, the Rehabilitation Act of 1973 specifies that one person is responsible for addressing a particular client throughout the rehabilitation process. And, surely, among disabled veterans, many would benefit if the VA adopted a similar procedure.

Logic would indicate that systemwide benefits could be obtained through an extension of this concept up to and through VA central office.

Technology exists that could simultaneously inform individuals of their various benefits, or track individuals through their various stages of rehabilitation and training. This would free health care, vocational, educational, and benefits specialists from managerial tasks providing more time for them to spend with clients.

Throughout the course of the day, we have heard different individuals from different Government agencies talking about trying to deal with what information is necessary.

It seems amazing to us that the Federal Government and certain agencies, as yet, are not able to make a determination that was made by many State agencies operating on less funds and under a more restrictive nature.

PVA has developed a model for such a proposed tracking system which applies to VA spinal cord injury service, specifically, and has submitted it as an attachment to our written comments.

Such a model system is essential to the success of any new vocational rehabilitation initiative. It has been brought out repeatedly that one of the major problems with chapter 31 is not simply the difference in the monetary benefits between chapter 31 and chapter 34, but a lack of understanding by the disabled veterans of what they are eligible for under chapter 31 or under chapter 34 and even, in fact, does chapter 31 exist.

No matter what system Congress, in its wisdom, may create, it will be only as effective as the agency mandated to implement it desires it to be.

For that reason, we urge Congress to create an overview committee to constantly monitor and critically report on the progress, success and/or failures of any program to be enacted to this Congress on an annual basis.

With that, I basically, again, would like to say thank you very much for giving us the opportunity to present some of our views.

And we will gladly attempt to answer any questions that we can.

Mr. **Steinberg**. Jack, in connection with the last point, don't you believe that the legislation, passed by the House and as amplified in Senator Cranston's amendment, providing for an advisory committee and annual reports from that advisory committee as far as monitoring the rehabilitation programs of both DVB and D.M. & S. and the agreement entered into with the GAO this morning that they would conduct an 18-month implementation review of various administrative changes which the VA has in the works, would adequately address the concern you have for overview?

Mr. **Powell**. It is certainly a step in the right direction. We might wish it to be even more rigid and more clearly defined. I become nervous, always, with the word "advisory."

Mr. **Steinberg**. Rick, in your testimony, you referred to the extended evaluation period as providing for one 6-month extension.

It is our intention—and we believe the legislation provides—that there would be no limit on the number of 6-month extensions which would be available when the determination is made that it would be reasonably likely that a vocational goal decision would be able to be foreseeable within the next 6 months.

Mr. **Heilman**. In other words, the door is not being shut on feasibility.

Mr. **Steinberg**. That is absolutely right.

In responding to Senator Cranston's question with regard to the availability of chapter 34 type benefits for all those who would be eligible for chapter 31, you indicated that you would support that because you support making the allowance structure comparable.

Is there any difference in those two approaches if all those veterans with a 10 percent or more service-connected disability may use 34 eligibility?

Mr. **Heilman**. No, sir, none that I can see. And, of course, you do still allow for the use of chapter 31 services even though they are in receipt of chapter 34 benefits.

Mr. **Steinberg**. They could receive benefits like chapter 34, but it would be in chapter 31.

Mr. **Heilman**. If the end result is the same, it certainly would satisfy our position.

Mr. **Steinberg**. On the individual unemployability issue that you discussed in both your prepared and spoken testimony this morning, it seems clear that you understand that our purpose is to make sure that every resource is available to a disabled veteran to try to assist him in becoming rehabilitated and, indeed, achieving em-

best copy available

ployment and, therefore, being no longer needed to be categorized as unemployable.

Do you agree with the GAO finding in its report that the unemployability ratings tend to create disincentives to employment?

Mr. HEILMAN. I certainly think that that tendency can and does exist in individual instances.

Our primary concern, as I think I indicated, is that we have found that, in terms of laws that are enacted by the Congress, in their implementation in the field, there is many a slip twixt the cup and the lip.

The supervisor of our Los Angeles office recently indicated that some VA-GAO personnel were visiting his station and, in talking to the rating boards there, indicated that possibly such a thing was going to be enacted into law regarding the injection of chapter 31 people into the claims process in this category of claim.

He said that he could see, since that time, a tendency on rating boards to perhaps be a bit more narrow in their favorable granting of such claims just based on this input.

We feel that this is likely to materialize, and we certainly would not like to see that occur. And I know this Committee would not like to see that occur.

We do feel that chapter 31 expertise could be put into the process after the decision has been made and therefore if a veteran has been granted unemployability benefits, he can commence chapter 31 training.

Under present law and regulation you can draw unemployability benefits and be a chapter 31 trainee. And once your training has been completed and you can retain your employment, you go back to your schedular rating.

I also want to point out that, when an individual files a claim for unemployability benefits, generally speaking, in the majority of cases, he has just lost a job.

So, there is a definite loss of income that has hit him and his family. The unemployability 100-percent rate definitely fills in a necessary gap. To delay it would be counterproductive in terms of achieving vocational rehabilitation if the potential is there.

Mr. STEINBERG. Do you agree with the GAO observation that the IU ratings tend to rely on subjective criteria and that more objective criteria are necessary?

Mr. HEILMAN. Well, let me just say here that I do not necessarily believe that subjective analysis is necessarily bad when you are dealing with an individual case.

Mr. STEINBERG. It would be very helpful to the committee if you would be willing to give us your suggestions and recommendations on this particular issue in terms of whether there is a way, legislatively, to address, in a way that you would find appropriate, the GAO's expressed concern that the unemployability rating, once established, puts a veteran in the very difficult situation of having incentives not to seek rehabilitation and employment even if the indications are that, over time, he or she might be better off if rehabilitated. If you would give us the benefit of your suggestions, look at that and see if there is some way that it might be handled appropriately from your standpoint.

Mr. HEILMAN. I would be glad to do that, and we would appreciate the opportunity to do that.

Mr. STEINBERG. Fine. Thank you.

[Subsequently, the Disabled American Veterans supplied the following information:]

Specifically, in noting DAV opposition to section 205 of Senator Cranston's Amendment No. 1661 to the Administration bill (S. 1188), you requested, as I recall, that the DAV provide the Committee with appropriate statutory language that would (1) address the concerns raised by our organization and, at the same time, (2) not do violation to the objective sought by the Committee.

Briefly, as I understand it, the premise and intent of section 205 as presently written is as follows:

There currently exists a certain "employment disincentive" inherent in the VA adjudication process relative to service-connected "unemployability" claims. Unemployability claims are those wherein the VA is authorized to grant the payment of VA disability compensation benefits at the 100 percent schedular rate even though the service-connected disabilities in question cannot be assigned such a total rating under the criteria set forth in the VA's Schedule for Rating Disabilities: *Provided*, That the veterans service-connected disabilities have been assigned certain individual and/or combined percentage evaluations (as set forth in the Schedule) *and* the determination is made that the service-connected disabilities prevent the veteran from engaging in and retaining substantial gainful employment.

(For your information, I have attached (1) the pertinent paragraphs of the VA's Schedule for Rating Disabilities which govern unemployability claims—paragraphs 16, 18, and 19 and (2) pertinent sections contained in Code of Federal Regulations 38—sections 3.340 and 3.341.)

Under present law, a veteran who is in receipt of a total rate of disability compensation payments based upon "unemployability" can only continue to receive such total benefits so long as he or she remains unemployed.

Employment status in these claims is monitored by the VA through the requirement of an annual declaration of employment by the veteran to the VA (in all cases). Though a favorable unemployability award generally is accompanied by a VA concession that the service-connected disabilities are permanent in nature and not subject to improvement, this is not true in all cases. In such instances, in addition to the requirement for an annual declaration of employment, the VA will also "diary the case" for a routine future physical examination in order to ascertain if the service-connected disabilities are still of such a nature that gainful employment is prevented.

To reiterate, it is the Committee's belief that an employment disincentive can exist in such cases—that is, that the receipt of compensation benefits at the 100 percent rate can stifle initiative and discourage veterans from attempting to secure and maintain employment.

In view of this belief, and as Senator Cranston's amendment deals with the issue of effecting improvements in the VA's Vocational Rehabilitation Program (chapter 31, title 38, U.S.C.), section 205 of the amendment requires that VA personnel associated with the chapter 31 program evaluate each and every service-connected unemployability claim, before a decision is rendered by VA Rating Board authorities, in order to determine the veteran's eligibility and potential for chapter 31 training and, ultimately, productive employment.

You will recall in our prepared testimony and oral comments during the hearing that we based our opposition to section 205 on the fact that two members of the present three member VA Rating Board—the occupational specialist and the physician—do examine all unemployability claims relative to answering the question, "Do the veteran's service-connected disabilities prevent him from gaining, regaining and/or maintaining substantial, gainful employment."

Having stated this, we contended that the examination and expertise which section 205 seeks to inject into the unemployability claims process *is already present*. We informed the Committee that, in our opinion, the requirement for a comprehensive diagnostic evaluation by Chapter 31 personnel would be a duplicate effort and add additional burdens of time and cost to the VA claims process. Furthermore, we stated our concern that the purpose of section 205 could be subverted by VA field personnel, and that rather than being employed as a vehicle to encourage veterans to secure or regain productive employment, it could become a restrictive tool, used to deny unemployability claims and "save" Federal expenditures.

We still believe these objections to be valid, that they outweigh and negate the positive effects that might be achieved. We therefore persist in our recommendation that section 205 be deleted from Senator Cranston's amendment.

However, in accordance with your request for substitute statutory language may we offer the suggestion that section 205 be amended to authorize VA Rating Board personnel to refer unemployability claims to chapter 31 personnel for appropriate action *after* a decision has been rendered, whether such decision was favorable or unfavorable, if in the Rating Board's opinion there exists chapter 31 eligibility and a potential for successful training under the Vocational Rehabilitation Program.

Such language would not result in any significant burden being added to the current adjudication process and would allow, in the case of favorable decisions, the timely commencement of disability compensation benefits in order to meet the immediate and pressing financial needs of the veteran and his family. (A great many of these veteran claimants will have recently lost their jobs and will have suffered a devastating loss of family income.)

Also, since input and examination by chapter 31 personnel is still present, vocational rehabilitation training, when appropriate, can be instituted. The employment disincentive aspect can thus be addressed in both allowed and disallowed claims.

Provided for the Committee's consideration is the following proposed statutory language:

"Sec. 205. In the case of any veteran who has filed a claim for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for a comprehensive diagnostic evaluation by Veterans Administration employees responsible for such evaluations under chapter 31 of title 38, United States Code, when, in the opinion of the Administrator, there exists a potential for vocational rehabilitation training and employment of such veteran. Such diagnostic evaluation shall be provided subsequent to the adjudication of such veteran's claim for individual unemployability benefits."

I would also like to elaborate upon one other point that was raised during the Committee hearing. Relative to the DAV's position on section 205 of Senator Cranston's amendment, we were asked to comment upon an opinion rendered by the General Accounting Office which, in essence, stated, "The Veterans' Administration is far too subjective in its decision making process applicable to unemployability claims."

The inference in this statement, we believe, is that if the VA were to be more objective in its unemployability benefit determinations, there would be a decrease (*justifiable* decrease, GAO would say) in the number of favorable awards granted.

You will recall my initial statement to the effect that the DAV saw nothing inherently wrong in a VA claims process that looks subjectively at each individual case. If the VA claims process is to be fair and compassionate—characteristics that even GAO would not publicly denigrate—then subjective examination should be considered a worthy characteristic and one not to be lightly discarded.

Upon perusal of the unemployability criteria contained in the Rating Schedule and CFR attachments, you will note that varying degrees of subjective *and* objective examination are required.

For example, based upon the single and combined percentage evaluations assigned to the service-connected disabilities in question, Rating Board personnel can quickly establish, *objectively*, whether or not the claimant satisfies the basic eligibility criteria set forth in paragraph 16 of the Schedule. However, the procedures set forth in both paragraphs 16 and 18 require a necessary, subjective look at the instant case, in order to answer such questions as:

(1) Do non-service-connected disabilities also exist which, in fact, render the veteran unemployable?

(2) Was the employment lost by the veteran full-time and gainful, or was it only occasional and intermittent?

(3) Has the veteran been in the job market searching for reemployment and, if so, how long?

(4) Does the veteran have any other vocational attainments that could result in gainful employment in other areas?

In view of the above, I believe you will agree that subjective analysis is pertinent to the adjudication of this category of VA claim and that by no stretch of the imagination does subjectivity dictate a high incidence of favorable VA decisions. In fact, the direct opposite could very well be true. If VA Rating Boards were to decide these claims on an assembly line basis according to strict, uniform objective criteria, GAO could very well find—much to its chagrin—that it has unsheathed a sword capable of cutting both ways.

Mr. **Steinberg**. Jack, I have a few questions that Senator Cranston left for you.

Do you think that the provision in amendment No. 1661, which authorizes reimbursement to the Department of Medicine and Surgery for services given to a chapter 31 participant, would help assure the timely and coordinated provision of medical care needed to a chapter 31 trainee?

Mr. **Powell**. Yes, we do. We also think, along that line, that some type of priority should be given to people participating in a vocational rehabilitation program so that they don't have to spend the inordinate number of hours that most veterans do sitting, waiting in a clinic to receive services. For instance, as outpatients participants in a vocational rehabilitation program should be perhaps urged—that may be a little too strong a word, but they should certainly be aware of their alternative sources of services outside of the VA system on a contract or fee basis.

Mr. **Steinberg**. John, I wonder if you have any comments on the question that I posed with respect to the reimbursement mechanism which is in the amendment for chapter 31 participants when referred to D.M. & S. for chapter 17 services?

Mr. **Fales**. I think that is an excellent idea.

Mr. **Steinberg**. And would you agree with Jack that there ought to be some priority for that individual in receiving D.M. & S. services?

Rick, I'm going to ask you the same thing.

Mr. **Fales**. Whatever works. If while an individual is going through the blind rehabilitation program at Palo Alto, which is 18 weeks in most cases, and he can receive some additional resources and additional training through DVB, I think that would be excellent, Jon.

Anything that would improve the system as it is now would be excellent, even if it is doing a little more paperwork for some funds.

Mr. **Steinberg**. Rick, do you have any comment on that particular provision?

Mr. **Heilman**. I suppose, here, in terms of the earlier GAO comments, their concern was with duplicative services which they say are now available.

Mr. **Steinberg**. That was with respect to the independent living issue.

The question that I posed at this particular point was whether or not the provision in the amendment that authorizes reimbursement from chapter 31 funds to the Department of Medicine and Surgery, when it provides chapter 17 services to a chapter 31 participant as part, for example, of an individualized written plan, whether that would help assure timely and coordinated provision of necessary services to chapter 31 trainees.

Mr. **Heilman**. In terms of the fact that VA hospital personnel and D.M. & S. field personnel are financially hardpressed as we all know, this certainly has positive aspects.

Would this be detracted from the veteran's entitlement under chapter 31?

Mr. **Steinberg**. It is already part of his entitlement under chapter 31, at present.

Mr. **Heilman**. It would not reduce his entitlement in terms of months that he has to pursue his training?

Mr. **Steinberg**. I believe that any period of use of chapter 31 benefits is charged against the period, but our amendment makes reference to providing for necessary extensions where needed to fulfill the purposes of the chapter.

So, I doubt very much that this would, in essence, prejudice his receipt of chapter 31 benefits.

Mr. HEILMAN. With that protection, and assuming that this is carefully monitored in terms of the veteran's objective and the time necessary to attain that objective and no action which would be taken which, in fact, would leave him in the lurch, then I would see no objection to that.

Mr. POWELL. Jon, could I say one other thing while we are talking about the veteran under chapter 31 and the VA hospital?

Mr. STEINBERG. Certainly.

Mr. POWELL. One of the things that I want to point out from our testimony is that PVA is greatly concerned and feels that the more severely disabled veteran, under chapter 31, is presently discriminated against. Presently he experiences the disincentive in the program by the denial of subsistence allowance while in VA facilities, especially for extended evaluation periods which, by nature, seem to grow longer and longer as the complicating factors of disability grow greater and greater.

Mr. STEINBERG. You are talking about people that are residents in VA institutions?

Mr. POWELL. Not necessarily residents in VA institutions; people who are checked into a VA facility, as an example, for a prolonged evaluation period.

Mr. STEINBERG. If they are checked in, aren't they residing there? They are inpatients, is that correct?

Mr. POWELL. Right.

Mr. STEINBERG. Well, I am sure you are aware that the amendment proposes that, in those instances, the subsistence allowance be accumulated for the individual and not be available to him at that particular point, after 30 days—unless there are particularized needs that that veteran has for that subsistence allowance, such as a continuing rental obligation, during the period of institutionalization.

So, we think we have tried to address that particular issue. Jack, perhaps you could respond for the record on any suggestions you have for dealing in the bill with the concept that you speak about of deferred objectives or alternative objectives as part of the VR plan.

If you have some suggestions for changes in the bill, we would be glad to receive them on that.

Mr. POWELL. I would be happy to.

Mr. STEINBERG. In terms of your concern about termination of eligibility and possible abuses of that process, would it be helpful if the bill provided that all reasonable counseling efforts must have been attempted prior to any decision to discontinue services or assistance to a chapter 31 participant?

Mr. POWELL. Would you repeat that?

Mr. STEINBERG. You expressed concern about that——

Mr. POWELL. Repeat what the bill is going to——

Mr. STEINBERG. If the bill provided, before services or assistance could be discontinued for deviation from the plan or failure to cooperate, et cetera, that all reasonable counseling efforts would have to be undertaken by the VA to resolve the problem.

Mr. POWELL. Yes, that would be helpful.

Mr. STEINBERG. On page 19 of your prepared statement, you state that you oppose the stipulation that if the VA cannot provide proper training and if an outside facility is used, the veteran must provide for the cost of this training, if it exceeds the VA rate for institutional training.

For the record, could you identify the stipulation you are referring to and state whether you believe that the problem would continue or would be resolved under the Senator's amendment?

Mr. POWELL. Yes, we will provide that information.

[Subsequently, the Paralyzed Veterans of America supplied the following information:]

It was a pleasure for me to appear yesterday before your Committee and to present PVA's Views concerning the need for changing the VA's rehabilitation program as contained in Chapter 31, Title 38, United States Code.

The Committee desires a clarification of PVA's statement, found on page 19 of our testimony, that reads: "PVA accepts the requirement that rehabilitation should first be provided by the VA, but we strongly oppose the stipulation that if the VA cannot provide proper training and if the use of an outside facility is required, the individual veteran must provide for the cost of such training if it exceeds the regular institutional rate for room and board."

Our reference for this comment in the VA's Procurement Regulations that deal with Vocational Rehabilitation and Education Programs (8-95.201). This procedure states that the VA will contract with non-VA facilities which can provide needed services not offered by the VA. In cases where the VA must use this approach it contracts with the facility for the rates of training services and provides these without additional cost to the individual veteran. Also, the VA tries to secure for the veteran the most favorable rates for room and board. However, payment for subsistence is solely the responsibility of the veteran undergoing rehabilitation, and if the non-VA institution's rates exceed the VA's regular institutional rate for such services, the individual is left to pay whatever difference remains. It should be remembered that some of these highly specialized facilities are quite expensive, not only in respect to the course of study, but also in the provision of essential services to the trainees.

Mr. STEINBERG. Finally, also for the record, would you give us whatever data you have specifically on unemployment rates with regard to veterans with spinal cord injuries and how you think the proposed amendment might help deal with that, with lowering those rates. We would appreciate that, as well.

Mr. POWELL. Yes, we will provide that information, also.

[Subsequently, the Paralyzed Veterans of America supplied the following information:]

Appendix A of our testimony (Table I) points out that 82.7 percent of PVA's service-connected disabled members are unemployed. This information was gathered from surveys completed by 462 respondents. The reasons for this preponderance of unemployment are basically that the Chapter 31 program (and even to a lesser extent the Chapter 34 program) does not provide the components of rehabilitation in a comprehensive manner that would prepare the individual for employment. Also, the VA fails to help these "rehabilitated" individuals find employment even after they have completed the program. Along these same lines most employers do not desire to hire handicapped individuals, because they fear that persons with handicaps will not prove to be productive, or that employment of them will entail considerable expense in modifying facilities and equipment to make them accessible to the handicapped worker. These problems of incomplete readjustment, rehabilitation and job-modification, and the lack of willingness of the part of employers to hire handicapped workers must be overcome if any rehabilitation program is to be effective. Even if the VA's rehabilitation program is improved to the point of providing comprehensive, unified services and more active job placement, veterans with severe disabilities who have completed the program, or who have passed their delimiting date for such services, must be approached in order to ascertain their needs and to extend services to them. Otherwise, the improved program will do nothing to help many presently disabled veterans.

Several witnesses testified that their organizations and programs have used outreach to encourage individuals to seek training and to find employment. PVA feels that the veterans' service organizations could effectively augment the VA's efforts aimed at helping veterans who have experienced severe disabilities, and we would like to see these organizations and the VA make a concerted effort to locate veterans in need of rehabilitation services and to insure that their needs are effectively met.

Mr. STEINBERG. Again, I regret that this hearing has taken so long and that Senator Cranston has only been able to be present for a portion of your testimony.

As he said, he will review the hearing record and all of your comments have been helpful to us, and your prepared statements will be, of course, carefully reviewed as we prepare the bill for markup by the committee.

Thank you all very much.

[The prepared statements of Mr. Edmiston, Mr. Fales, and Mr. Powell follow:]

PREPARED
STATEMENT OF
STEPHEN L. EDMISTON
ADMINISTRATIVE ASSISTANT
DISABLED AMERICAN VETERANS
BEFORE THE
COMMITTEE ON VETERANS AFFAIRS
OF THE
UNITED STATES SENATE
FEBRUARY 28, 1980

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

On behalf of the 657,000 members of the Disabled American Veterans, I wish to take this opportunity to thank you for extending us this occasion to present our views on legislation presently pending before the Committee which directly impacts on the VA Vocational Rehabilitation Program. Additionally, Mr. Chairman, we are pleased to present our comments on the results of the study mandated by Section 307, Public Law 95-202 in regard to the provisions of Chapter 31, Title 38, USC (Senate Committee Print No. 26) and the summary report of the Vocational Rehabilitation (Chapter 31) Program Evaluation Study (Senate Committee Print No. 15) conducted pursuant to Section 219, Title 38, USC.

The DAV is grateful to you, Mr. Chairman, and the members of this Committee for holding these hearings in this Session of the Congress in an effort to make necessary improvements in the present VA Vocational Rehabilitation Program. Clearly, this reflects a sincere interest and concern of the Committee in this most important education program for service-connected disabled veterans.

As you know, Mr. Chairman, the DAV was founded on the principle that this nation's first duty to veterans is the rehabilitation of its wartime disabled. Accordingly, our DAV membership, composed of honorably discharged veterans who were disabled during wartime military service to their country, has strongly supported vocational and/or educational rehabilitation training. We have felt that such training is necessary to assist the disabled veteran to prepare for and obtain gainful and rewarding employment suited to the individual needs and disablement of each veteran.

The VA Vocational Rehabilitation Program, originally established by Public Law 78-16, has been the most successful of all the VA educational programs, with more than 800,000 service-connected disabled veterans, including nearly 100,000 Vietnam Era veterans, having received training.

However, Mr. Chairman, the DAV is concerned that the Vocational Rehabilitation Program has failed to implement significant improvements, by utilizing current knowledge and concepts that are available in the field of rehabilitation, to guarantee continued success of the program for service-connected disabled veterans.

A Study of the Provisions for Veterans' Vocational Rehabilitation
(Senate Committee Print No. 26)

The DAV was pleased to note, Mr. Chairman, that this study conducted by the Veterans Administration, has set forth many of our concerns and contributed significant recommendations to improve and update the current Vocational Rehabilitation Program.

In order to properly address the many and varied recommendations contained in this Study, my comments will be directed at the sub-headed paragraph contained in Section V (pages 47-51) of the Study entitled, "Findings and Recommendations Concerning the Chapter 31 Vocational Rehabilitation Program."

A. Summary Overview

Mr. Chairman, the DAV strongly concurs with Vocational Rehabilitation Program "Emphasis Recommendations" detailed by the VA. We are especially supportive of Item (2), "To focus on the ultimate goal of vocational rehabilitation, namely, employment of the handicapped veteran." If there has been any one aspect lacking in this most successful of all VA educational programs, it has been the failure on the part of the federal government to insure that rehabilitated disabled veterans are actually placed in employment for which they have been trained, and once placed, maintained in that employment.

B. Purpose & Definition of Vocational Rehabilitation Under Chapter 31

The DAV agrees, Mr. Chairman, that a complete definition of the purpose of vocational rehabilitation should inherently include:

1. Attainment of employability (including, where necessary, bringing seriously disabled veterans to the point of feasibility for training).
2. Job placement.
3. Job Maintenance.

However, with respect to the issue of feasibility, when the rehabilitation potential of a veteran is indeterminate, we find no justification in the VA's recommendation that the evaluation of rehabilitation potential be extended over a period "not in excess of 12 months." Such a restriction impacts directly on those disabled veterans who are the most severely handicapped and who are in the greatest need of rehabilitation training.

It would be our recommendation, Mr. Chairman, that no time limitation be placed upon the period in which the VA attempts to bring a veteran to the point of training feasibility. We further recommend, that the period of time used to develop training feasibility not be charged against the veteran's eligibility period and extent of Chapter 31 entitlement.

Additionally, Mr. Chairman, we also recommend relative to the actual job placement of rehabilitated veterans that the VA be mandated to actively pursue federal employment opportunities under the excepted service appointment, noncompetitive appointment and the veterans' readjustment appointment authority provisions in current law. Concurrent with this mandate should be the requirement, on the part of the VA, to annually report to the Congress the number of such employment secured for Chapter 31 rehabilitated veterans, as well as, the cooperation and/or noncooperation of the federal agencies involved.

The DAV is in complete agreement with the broad range of goods and services listed (Items [1-14]) as being necessary for the VA to fully and effectively obtain the stated purpose of its Vocational Rehabilitation Program.

We further agree that the VA's Department of Medicine and Surgery must become a fully integrated partner with the Department of Veterans Benefits in all phases of the vocational rehabilitation process, especially the pre-training and training process (though post-training should not be ignored). DM&S support, we envision, would fall heavily into the medical, social and psychological texts to insure that services necessary to seeing a disabled veteran successfully through a course of training are not excluded and emphasis should be given with respect to controls and clear delineations of authority and responsibility (for providing such services.)

C. Eligibility for Vocational Rehabilitation Under Chapter 31

Mr. Chairman, the DAV wholeheartedly agrees with the VA recommendation that Chapter 31 training for disabled veterans should be "open-ended" when it is shown that such training, or retraining, is necessary due to service-connected disability. This provision should apply to both period of time allotted to enter and complete training, as well as, to the extent of the training entitlement itself. The need for training and/or retraining due to job obsolescence and job enhancement (previously prevented due to the seriousness of the service-connected disability) should be liberally and individually determined. Consideration for training entitlement beyond the normal 48 months should be authorized for goals which require training at the advance graduate level (the legal and medical professions, for example) so long as such goals are realistically within the veteran's potential.

In line with these determinations, we believe that all decisions regarding the extent and scope of eligibility periods/training entitlements should be authorized at the Regional Office level.

We also recommend extension of the basic eligibility period for entrance and completion of Chapter 31 training to ten years, equal to the period which now applies to Chapter 34/35 benefits.

D. Counseling & Guidance

We concur that full counseling and guidance services should be available throughout the rehabilitation process--pre-training, training and post-training. Such services should be extended, when necessary, to members of the veteran's immediate family and should be authorized on a contract fee basis when VA facilities are not available, or are impracticable.

E. Training

The DAV strongly supports increasing and expanding the availability and use of on-the-job training under Chapter 31. As an employer who has extensively utilized this program, the DAV can personally attest to the success that can result from a well-developed on-the-job training program for service-connected disabled veterans.

We would recommend that providing indirect financial incentives to employers of trainees is most desirable from the standpoint of encouraging employer utilization of vocational rehabilitation on-the-job trainees. Such incentives could be provided in those instances where the employer has actually incurred added costs as a result of hiring and training a service-connected disabled veteran through a tax credit program.

The DAV further recommends that those Chapter 31 veterans engaged in non-pay training in federal agencies should receive a special subsistence allowance rate over and above the basic rate to help defray the added expenses incurred as a result of this training experience. We also recommend that the $200 limit on VA loans available to Chapter 31 trainees be increased to $400, that all VA Regional Offices be required to have a special cash account earmarked for this purpose in order to eliminate the "red tape delay" of this receipt. We also recommend increasing the post-rehabilitation payment to the full-time training rate for a period of four months, rather than the current two month period.

F. Staff Development

G. Innovative & Demonstration Projects in Veterans' Vocational Rehabilitation

H. Research & Vocational Rehabilitation

I. Program Evaluation & Accountability

Mr. Chairman, the DAV is in agreement with all of the recommendations and sentiments contained under these sub-headings. However, we would like to suggest that demonstration projects and research in vocational rehabilitation should now be coordinated with, in addition to the Rehabilitation Service Administration, the National Institute for Handicapped Research (created by Public Law 95-602). Further, we believe that particular emphasis should be placed on developing a strong system of Chapter 31 program evaluation and accountability techniques by the VA. This self-evaluation process should be conducted annually by the VA and a report of their findings submitted to the House and Senate Veterans Affairs Committees.

Needless to say, Mr. Chairman, the DAV was extremely pleased with most of the recommendations of this VA Study.

Summary Report of the Vocational Rehabilitation (Chapter 31) Program Evaluation (Senate Commite Print No. 15)

Mr. Chairman, the DAV has thoroughly studied this Summary Report of the Vocational Rehabilitation Program Evaluation Study conducted by the Veterans Administration. It is our observation that the report has clearly identified those areas where the program has fulfilled, failed or only partially met its commitment to service-connected disabled veterans who have utilized or who have eligibility to utilize this program.

Mr. Chairman, we must compliment the VA for this candid self-evaluation of the Vocational Rehabilitation Program. We agree with the overall conclusions presented by this report and most certainly concur that the VA should increase its efforts to motivate seriously disabled service-connected veterans (those who are in the greatest need of vocational rehabilitation services) to utilize the program.

Additionally, we hope the VA will make substantial improvements in coordinating the efforts of VA Medical Centers and Regional Offices in an effort to insure that services provided by each Department are delivered in a timely and effective manner so that each eligible disabled veteran will benefit from the maximum utilization of the services available.

We are hopeful, Mr. Chairman, that through the legislative efforts of your Committee, and your counterpart in the House, the VA will be mandated to view employment, as well as job readjustment and compatibility, as the ultimate goal of vocational rehabilitation for service-connected disabled veterans.

To further improve and strengthen the Vocational Rehabilitation Program we strongly urge the Committee to give serious consideration to legislative remedy to one particular disincentive identified by this report. Specifically, we urge the Committee to rectify the disparity which exists between Chapters 31 and 34 subsistence allowance rates. Mr. Chairman, the DAV strongly supports an upward adjustment in Chapter 31 subsistence allowances to at least equal the amount provided nondisabled veterans in training under the VA's Chapter 34 Educational Program.

The DAV believes this is a most equitable proposal that would provide an extra measure of financial security, for this most deserving group of service-connected disabled veterans who are attempting to rejoin the mainstream of American society by becoming productive tax paying citizens.

Finally, Mr. Chairman, we believe the results of the Veterans' Beneficiary Survey, that was conducted in conjunction with this program evaluation, clearly points out and affirms needed improvements in the VA Vocational Rehabilitation Program from a consumer point of view.

At this point, Mr. Chairman, rather than detail further our suggestions regarding improvements in the VA Vocational Rehabilitation Program, as they relate to this report, I would like to address your proposed Amendment No. 1661 to Senate Bill S. 1188.

Amendment No. 1661

Mr. Chairman, in addition to the Veterans Administration's Bill (S. 1188) and a measure passed by the House of Representatives (H.R. 5288), you also propose (Amendment No. 1661) a major rewrite of Chapter 31, Title 38, U. S. Code. A review of your proposed Amendment No. 1661 to the Administration-sponsored bill S. 1188 reveals a sincere detailed and positive effort to improve and expand the current VA Vocational Rehabilitation Program for service-connected disabled veterans.

The DAV strongly concurs that the current program has failed to insure job placement and maintenance following completion of training. Accordingly, the DAV strongly supports those provisions of your proposed amendment which would:

1. Expand the purpose of Chapter 31 to obtaining and maintaining suitable employment;
2. Mandate the VA to actively promote the development and establishment of on-the-job training and employment opportunities; and
3. Require assistance in placement and post-placement services to effect suitable employment for the disabled veteran.

We agree, Mr. Chairman, that the broad range of goods and services outlined in your Amendment are necessary to provide clear authority for the Veterans Administration to assist the disabled veteran in entering and pursuing rehabilitation, as well as, finding, adjusting and maintaining employment.

The DAV strongly supports the language of your proposed amendment which would expressly provide Chapter 31 eligibility to all such veterans with compensable service-connected disabilities. We believe this approach to establishing basic entitlement to Chapter 31 removes any possibility of indiscriminate or narrow interpretation of Congressional intent. Such possibilities, we believe, could arise under the pressures contained in H.R. 5288 and S. 1188 which withhold basic entitlement until the showing of need based upon an employment handicap.

Under your proposal, Mr. Chairman, the basic period of vocational rehabilitation training to which the veteran would be entitled remains the same as current law, a general 48 month limit. However, your proposal provides sufficient flexibility to enable a veteran to achieve a vocational goal where additional months of entitlement over and above the basic 48 months are required.

Additionally, the DAV finds those provisions of your Amendment which would authorize an extension of up to 6 months (in addition to the proposed 12 months) in those instances where the VA attempts to bring a veteran to the point of feasibility for training to be an improvement. However, compatible with our belief that the program entitlement should be open-ended, we would recommend, either through the addition of appropriate statutory language and/or a clear statement of Congressional intent, that a finding of infeasibility for training not preclude the possibility of future VA efforts to bring a veteran into feasibility status. In cases where feasibility has not been initially determined or achieved, the VA should be directed to make appropriate, periodic reviews regarding the possibility of further feasibility efforts.

The Independent Living Services Program proposed by your Amendment is another compassionate means to provide assistance to the most seriously disabled veterans in an effort to improve their potential for pursuing vocational training and achieve maximum independence in their daily living.

Mr. Chairman, a disincentive to pursuing vocational training under Chapter 31, pointed out time and time again, has been the disparity which exists between Chapter 31 and Chapter 34 subsistence rates. Certainly, your proposal to permit less severely disabled veterans to receive Chapter 34 subsistence rates while pursuing training under Chapter 31 is a step in the right direction to alleviate this disparity. However, the DAV still maintains that the only means to correct this inequity completely is to adjust Chapter 31 subsistence rates to at least equal the amount provided under Chapter 34.

Under current law, as you know, a veteran has a basic nine year period of eligibility for vocational rehabilitation training following his discharge or release from active service. Your proposal, Mr. Chairman, provides reasonable improvements in current law, as well as, circumstances under which extensions beyond the basic period of eligibility can be permitted. Though we are supportive of these provisions, the DAV still believes that the basic period of eligibility should be open-ended.

Mr. Chairman, the DAV again wishes to go on record strongly supporting the payment of educational allowances to incarcerated and institutionalized veterans. The DAV strongly believes that service-connected disabled veterans who honorably served in the Armed Forces of our country, though incarcerated, should not be denied entitlement to the educational benefits they have earned. Indeed, if any one category of disabled veteran is in need of readjustment assistance, it would be the incarcerated veteran. Full use of Chapter 34 or 31 entitlement may discourage continued criminal activity and return such individuals to productive roles in society.

The last time subsistence allowances were increased for disabled veterans utilizing the Vocational Rehabilitation Program was October 1, 1977 (P.L. 95-202). At that time, disabled veterans were afforded a 6.6% increase in their subsistence allowance rate. Unfortunately, Mr. Chairman, since that time there have been no further adjustments of these rates. Without a doubt, we are all keenly aware of the spiraling rate of inflation in recent years. In the two years since the increase provided by Public Law 95-202, the Consumer Price Index has increased more than 20%. Current projections for Calendar Year 1980 reflect double digit inflation--perhaps as high as 18%. Using actual CPI movement as a guide, one could therefore argue for a Chapter 31 subsistence allowance increase of some 35 to 38%, effective October 1, 1980.

However, the DAV does recognize and acknowledge that certain restraints must be placed upon all federal expenditures in the current session of Congress. Therefore, in the interests of moderation, we recommend to the Committee a 20% increase in the subsistence allowances afforded service-connected disabled veterans in training under the Vocational Rehabilitation Program. (After bringing such allowances up to a level equal with those extended to Chapter 34 trainees.)

Mr. Chairman, the DAV wishes to suggest that the post-vocational rehabilitation allowance be provided for a period not to exceed four months. This recommendation calls for an increase of two additional months over current law. Approval of this recommendation would add immeasurably to the success of post-training employment readjustment for service-connected disabled veterans.

We are especially supportive of the program for employment assistance as provided in your Amendment. However, we suggest rather than providing direct payments to employers for on-the-job training, that indirect financial incentives--such as a tax credit program--be made available to the employer in those instances where added costs are incurred as a result of hiring and training a service-connected disabled veteran.

There are two other provisions contained in your Amendment that we look upon with favor. Specifically, we strongly support the payment of full-time institutional monthly subsistence rates for on-the-job training or work experience in a federal agency in those cases where no compensation, or only nominal compensation (by the agency), is afforded. We also strongly support your effort to increase the amount of revolving fund loans from the current $200 to an amount not in excess of twice the full-time institutional monthly subsistence allowance rate for single veterans.

Mr. Chairman, Title 2, Section 205 of your Amendment proposes to evaluate each and every service-connected disabled veteran who has filed a claim for total disability on the basis of individual unemployability resulting from service-connected disability in order to determine the veteran's potential for vocational rehabilitation and employment.

Initially I wish to point out that Section 205 fails to specify what provision of Title 38, USC, if any, it seeks to amend. Presently, service-connected unemployability determinations are governed by Paragraph 16 of the VA's Schedule for Rating Disabilities and Sections 3.340 and 3.341 of 38, CFR.

Mr. Chairman, we do not support Section 205 of your Amendment. I wish to point out that presently, the occupational specialist and medical members of VA Rating Boards do examine all unemployability claims relative to the question concerning the veteran's ability to gain, regain and/or continue substantial gainful employment.

Also it should be noted that the same medical member of VA Rating Boards is the VA authority who makes a determination as to feasibility for training in all Chapter 31 claims.

In essence then, the examination and expertise which Section 205 seeks to inject into the unemployability claims process is already present. In our opinion the requirement for a comprehensive diagnostic evaluation by Chapter 31 personnel would be a duplicate effort and add additional burdens of time and cost to the VA claims process.

Furthermore, we believe that the purpose of Section 205 could very well be subverted by VA field personnel, and that rather than being employed as a vehicle to encourage veterans to secure or regain productive employment, it could become a restrictive tool, used to deny unemployability claims and "save" federal expenditures.

Recognizing the validity of the "employment disincentive" theory behind Section 205 of the Bill, we would not object to authorizing Chapter 31 VA employees to review unemployability claims after the determinatin has been made by VA Rating Board authorities. In this way, "borderline" cases could be examined toward the goal of securing vocational rehabilitation.

That concludes my statement, Mr. Chairman. I wish to again thank you and the members of the Committee for holding these hearings and allowing the Disabled American Veterans to present its views on this very important educational program for service-connected disabled veterans.

* * *

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

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March 7, 1980

Mr. Jonathan Steinberg
Chief Counsel
Senate Committee on Veterans Affairs
414 Russell Senate Office Building
Washington, DC 20510

Dear Jonathan:

This is in reference to the VA educational hearings conducted by the Senate Veterans Affairs Committee on February 28, 1980, during which you requested that the Disabled American Veterans furnish certain additional information for inclusion in the hearing record.

Specifically, in noting DAV opposition to Section 205 of Senator Cranston's Amendment (1661) to the Administration bill (S. 1188), you requested, as I recall, that the DAV provide the Committee with appropriate statutory language that would (1) address the concerns raised by our organization and, at the same time, (2) not do violation to the objective sought by the Committee.

Briefly, as I understand it, the premise and intent of Section 205 as presently written is as follows:

There currently exists a certain "employment disincentive" inherent in the VA adjudication process relative to service-connected "unemployability" claims. Unemployability claims are those wherein the VA is authorized to grant the payment of VA disability compensation benefits at the 100% schedular rate even though the service-connected disabilities in question cannot be assigned such a total rating under the criteria set forth in the VA's Schedule for Rating Disabilities, provided that the veterans service-connected disabilities have been assigned certain individual and/or combined percentage evaluations (as set forth in the Schedule) and the determination is made that the service-connected disabilities prevent the veteran from engaging in and retaining substantial gainful employment.

(For your information, I have attached (1) the pertinent paragraphs of the VA's Schedule for Rating Disabilities which govern unemployability claims--Paragraphs 16, 18 and 19 and (2) pertinent sections contained in Code of Federal Regulations 38--Sections 3.340 and 3.341.)

Under present law, a veteran who is in receipt of a total rate of disability compensation payments based upon "unemployability" can only continue to receive such total benefits so long as he or she remains unemployed.

Employment status in these claims is monitored by the VA through the requirement of an annual declaration of employment by the veteran to the VA (in all cases). Though a favorable unemployability award generally is accompanied by a VA concession that the service-connected disabilities are permanent in nature and not subject to improvement, this is not true in all cases. In such instances, in addition to the requirement for an annual declaration of employment, the VA will also "diary the case" for a routine future physical examination in order to ascertain if the service-connected disabilities are still of such a nature that gainful employment is prevented.

To reiterate, it is the Committee's belief that an employment disincentive can exist in such cases--that is, that the receipt of compensation benefits at the 100% rate can stifle initiative and discourage veterans from attempting to secure and maintain employment.

In view of this belief, and as Senator Cranston's Amendment deals with the issue of effecting improvements in the VA's Vocational Rehabilitation Program (Chapter 31, Title 38, U. S. C.), Section 205 of the Amendment requires that VA personnel associated with the Chapter 31 Program evaluate each and every service-connected unemployability claim, before a decision is rendered by VA Rating Board authorities, in order to determine the veteran's eligibility and potential for Chapter 31 training and, ultimately, productive employment.

You will recall in our prepared testimony and oral comments during the hearing that we based our opposition to Section 205 on the fact that two members of the present three member VA Rating Board--the occupational specialist and the physician--do examine all unemployability claims relative to answering the question, "Do the veteran's service-connected disabilities prevent him from gaining, regaining and/or maintaining substantial, gainful employment.

page 3

Having stated this, we contended that the examination and expertise which Section 205 seeks to inject into the unemployability claims process is already present. We informed the Committee that, in our opinion, the requirement for a comprehensive diagnostic evaluation by Chapter 31 personnel would be a duplicate effort and add additional burdens of time and cost to the VA claims process. Furthermore, we stated our concern that the purpose of Section 205 could be subverted by VA field personnel, and that rather than being employed as a vehicle to encourage veterans to secure or regain productive employment, it could become a restrictive tool, used to deny unemployability claims and "save" federal expenditures.

We still believe these objections to be valid, that they outweigh and negate the positive effects that might be achieved. We therefore persist in our recommendation that Section 205 be deleted from Senator Cranston's Amendment.

However, in accordance with your request for substitute statutory language may we offer the suggestion that Section 205 be amended to authorize VA Rating Board personnel to refer unemployability claims to Chapter 31 personnel for appropriate action after a decision has been rendered, whether such decision was favorable or unfavorable, if in the Rating Board's opinion there exists Chapter 31 eligibility and a potential for successful training under the Vocational Rehabilitation Program.

Such language would not result in any significant burden being added to the current adjudication process and would allow, in the case of favorable decisions, the timely commencement of disability compensation benefits in order to meet the immediate and pressing financial needs of the veteran and his family. (A great many of these veteran claimants will have recently lost their jobs and will have suffered a devastating loss of family income.)

Also, since input and examination by Chapter 31 personnel is still present, vocational rehabilitation training, when appropriate, can be instituted. The employment disincentive aspect can thus be addressed in both allowed and disallowed claims.

Provided for the Committee's consideration is the following proposed statutory language:

> Sec. 205. In the case of any veteran who has filed a claim for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for a comprehensive diagnostic evaluation by Veterans Administration employees responsible for such evaluations under Chapter 31 of Title 38, United States Code, when, in the opinion of the Administrator, there exists a potential for vocational rehabilitation training and employment of such veteran. Such diagnostic evaluation shall be provided subsequent to the adjudication of such veteran's claim for individual unemployability benefits.

I would also like to elaborate upon one other point that was raised during the Committee hearing. Relative to the DAV's position on Section 205 of Senator Cranston's Amendment, we were asked to comment upon an opinion rendered by the General Accounting Office which, in essence, stated, "The Veterans Administration is far too subjective in its decision making process applicable to unemployability claims."

The inference in this statement, we believe, is that if the VA were to be more objective in its unemployability benefit determinations, there would be a decrease (justifiable decrease, GAO would say) in the number of favorable awards granted.

You will recall my initial statement to the effect that the DAV saw nothing inherently wrong in a VA claims process that looks subjectively at each individual case. If the VA claims process is to be fair and compassionate--characteristics that even GAO would not publicly denigrate--then subjective examination should be considered a worthy characteristic and one not to be lightly discarded.

Upon perusal of the unemployability criteria contained in the Rating Schedule and CFR attachments, you will note that varying degrees of subjective and objective examination are required.

For example, based upon the single and combined percentage evaluations assigned to the service-connected disabilities in question, Rating Board personnel can quickly establish, objectively, whether or not the claimant satisfies the basic eligibility criteria set forth in Paragraph 16 of the Schedule. However, the procedures set forth in both Paragraphs 16 and 18 require a necessary, subjective look at the instant case, in order to answer such questions as:

1. Do nonservice-connected disabilities also exist which, in fact, render the veteran unemployable?

2. Was the employment lost by the veteran full-time and gainful, or was it only occasional and intermittent?

3. Has the veteran been in the job market searching for reemployment and, if so, how long?

4. Does the veteran have any other vocational attainments that could result in gainful employment in other areas?

In view of the above, I believe you will agree that subjective analysis is pertinent to the adjudication of this category of VA claim and that by no stretch of the imagination does subjectivity dictate a high incidence of favorable VA decisions. In fact, the direct opposite could very well be true. If VA Rating Boards were to decide these claims on an assembly line basis according to strict, uniform objective criteria, GAO could very well find--much to its chagrin--that it has unsheathed a sword capable of cutting both ways.

This concludes the comments I wish to have included in the Hearing Record. Thank you very much for giving our organization the opportunity to amplify its views on this most important issue.

Sincerely yours,

JOHN F. HEILMAN
National Legislative Director

JFH:ah

Enclosures

VETERANS ADMINISTRATION

Schedule for Rating Disabilities

1930

Under the Authority of
Title 38, United States Code

16. Total Disability Ratings for Compensation Based on Unemployability of the Individual.

[(a)] Total disability ratings for compensation may be assigned, where the schedular rating is less than total, when the disabled person is, in the judgment of the rating agency, unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities; provided that, if there is only 1 such disability, this disability shall be ratable at 60 percent or more, and that, if there are 2 or more disabilities, there shall be at least 1 disability ratable at 40 percent or more, and sufficient additional disability to bring the combined rating to 70 percent or more. For the above purpose of one 60 percent disability, or one 40 percent disability in combination, the following will be considered as 1 disability: (1) disabilities of 1 or both upper extremities, or of 1 or both lower extremities, including the bilateral factor, if applicable, (2) disabilities resulting from common etiology or a single accident, (3) disabilities affecting a single body system, e.g., [orthopedic,] digestive, respiratory, cardiovascular-renal, neuropsychiatric, (4) multiple injuries incurred in action, [or (5) multiple disabilities incurred as a prisoner of war.] It is provided further that the existence or degree of non-service-connected disabilities or previous unemployability status will be disregarded where the above percentages for the service-connected disability or disabilities are met and in the judgment of the rating agency such service-connected disabilities render the veteran unemployable. *Effective March 1, 1963.*

[(b) It is the established policy of the Veterans Administration that all veterans who are unable to secure and follow a substantially gainful occupation by reason of service-connected disabilities shall be rated totally disabled. Therefore, rating boards should submit to the Director, Compensation and Pension Service for extra-schedular consideration all cases of veterans who are unemployable by reason of service-connected disabilities, but who fail to meet the percentage standards set forth above. The rating board will include a full statement as to the veteran's service-connected disabilities, employment history, educational and vocational attainment and all other factors having a bearing on the issue.]

(Page 4 deleted)

18. Unemployability.—A veteran may be considered as unemployable upon termination of employment which was provided on account of disability, or in which special consideration was given on account of the same, when it is satisfactorily shown that he or she is unable to secure further employment. With amputations, sequelae of fractures and other residuals of traumatism shown to be of static character, a showing of continuous unemployability from date of incurrence, or the date the condition reached the stabilized level, is a general requirement in order to establish the fact that present unemployability is the result of the disability. However, consideration is to be given to the circumstances of employment in individual [claims], and, if the employment was only occasional, intermittent, tryout or unsuccessful, or eventually terminated on account of the disability, present unemployability may be attributed to the static disability. Where unemployability for pension previously has been established on the basis of combined service-connected and non-service-connected disabilities and the service-connected disability or disabilities have increased in severity, paragraph 16 is for consideration.

19. Age in Service-Connected Claims.—Age may not be considered as a factor in evaluating service-connected disability[;] and unemployability, in service-connected [claims], associated with advancing age or intercurrent disability, may not be used as a basis for a total disability rating. Age, as such, is a factor only in evaluations of disability not resulting from service, i.e., for the purposes of pension.

1934

code of federal regulations

38

Pensions, Bonuses, and Veterans' Relief

Revised as of July 1, 1979

CROSS REFERENCE: Failure to report for Veterans Administration examination. See § 3.655.

§§ 3.331-3.339 [Reserved]

§ 3.340 Total and permanent total ratings and unemployability.

(a) *Total disability ratings*—(1) *General.* Total disability will be considered to exist when there is present any impairment of mind or body which is sufficient to render it impossible for the average person to follow a substantially gainful occupation. Total disability may or may not be permanent. Total ratings will not be assigned, generally, for temporary exacerbations or acute infectious diseases except where specifically prescribed by the schedule.

(2) *Schedule for rating disabilities.* Total ratings are authorized for any disability or combination of disabilities for which the 1945 Schedule for Rating Disabilities prescribes a 100 percent evaluation or, with less disability, where the requirements of paragraph 16, page 5 of the rating schedule are present or where, in pension cases, the requirements of paragraph 17, page 5 of the schedule are met.

(3) *Ratings of total disability on history.* In the case of disabilities which have undergone some recent improvement, a rating of total disability may be made, provided:

(i) That the disability must in the past have been of sufficient severity to warrant a total disability rating;

(ii) That it must have required extended, continuous, or intermittent hospitalization, or have produced total industrial incapacity for at least 1 year, or be subject to recurring, severe, frequent, or prolonged exacerbations; and

(iii) That it must be the opinion of the rating agency that despite the recent improvement of the physical condition, the veteran will be unable to effect an adjustment into a substantially gainful occupation. Due consideration will be given to the frequency and duration of totally incapacitating exacerbations since incurrence of the original disease or injury, and to periods of hospitalization for treatment in determining whether the average person could have reestablished himself in a substantially gainful occupation.

(b) *Permanent total disability.* Permanence of total disability will be taken to exist when such impairment is reasonably certain to continue throughout the life of the disabled person. The permanent loss or loss of use of both hands, or of both feet, or of one hand and one foot, or of the sight of both eyes, or becoming permanently helpless or bedridden constitutes permanent total disability. Diseases and injuries of long standing which are actually totally incapacitating will be regarded as permanently and totally disabling when the probability of permanent improvement under treatment is remote. Permanent total disability ratings may not be granted as a result of any incapacity from acute infectious disease, accident, or injury, unless there is present one of the recognized combinations or permanent loss of use of extremities or sight, or the person is in the strict sense permanently helpless or bedridden, or when it is reasonably certain that a subsidence of the acute or temporary symptoms will be followed by irreducible totality of disability by way of residuals. The age of the disabled person may be considered in determining permanence.

(c) *Insurance ratings.* A rating of permanent and total disability for insurance purposes will have no effect on ratings for compensation or pension.

[26 FR 1585, Feb. 24, 1961]

§ 3.341 Total disability ratings for compensation purposes.

Total compensation ratings may be assigned under the provisions of § 3.340. However, if the total rating is based on a disability or combination of disabilities for which the 1945 Schedule for Rating Disabilities provides an evaluation of less than 100 percent, it must be determined that the service-connected disabilities are sufficient to produce the unemployability without regard to advancing age.

[29 FR 3624, Mar. 21, 1964]

BLINDED VETERANS ASSOCIATION
1735 DESALES STREET, NORTHWEST • WASHINGTON, D. C. 20036 • (202) 347-4010

PREPARED
STATEMENT OF JOHN FALES, JR., EMPLOYMENT DIRECTOR
BLINDED VETERANS ASSOCIATION
BEFORE THE
COMMITTEE ON VETERANS' AFFAIRS, U.S. SENATE

Thursday February 28, 1980

Mr. Chairman and Members of this distinguished Committee. On behalf of the Blinded Veterans Association I wish to express my sincere appreciation in having this opportunity to appear before you today to discuss the modernization of one of the Veterans Administration's finest programs, the Vocational Rehabilitation Program (Chapter 31, Title 38, United States Code).

Blinded veterans have experienced first hand the benefits of this excellent cost-effective program and whole-heartedly support the legislation that will improve vocational rehabilitation services to our nation's disabled veterans.

The BVA concurs with the Veterans Administration and the Committees on Veterans' Affairs that one of the major deficiencies of the present vocational rehabilitation program is the lack of job placement assistance to veterans who have trained under Chapter 31. The BVA is in favor of Section 1500 of amendment number 1661 revising S. 1188 which redefines the purpose of Chapter 31. Presently, the stated purpose of vocational rehabilitation is restoration of employability. The amendment would expand the concept, enabling the disabled veteran to "obtain and maintain suitable employment." Postplacement services are essential in the vocational rehabilitation process and must be provided for those participants who have trained under Chapter 31. Specialized assistance to the most severely disabled veterans who have trained under Chapter 31 is also mandatory. In addition to programs such as homebound training self-employment programs, provisions of equipment, loans from the Small Business Administration, etc., the Blinded Veterans Association urges the Veterans Administration to emulate the State of California's small business revolving fund for the handicapped.

CHARTERED BY THE CONGRESS OF THE UNITED STATES

Through this program, the Veterans Administration would issue low interest loans to severely disabled veterans who wish to establish their own businesses and who need initial funding in order to secure handicapped assistance loans from the Small Business Administration.

The Blinded Veterans Association advocates the comprehensive rehabilitation of the severely disabled veteran. It is for this reason that we endorse the section of amendment 1661 which proposes a five year pilot program for independent living. The VA currently has three sophisticated blind rehabilitation facilities located in the VA Hospitals in West Haven,Connecticut; Hines, Illinois; and Palo Alto,California. Another facility is scheduled to open in Birmingham, Alabama in the near future. We encourage the utilization of these existing VA facilities for this program and urge the immediate addition of independent living programs at these centers.

The BVA is in favor of a 17% cost of living increase for veterans enrolled under Chapter 31 so that the financial gap between participants of Chapter 31 and Chapter 34 can be narrowed.

It has been the experience of the Blinded Veterans Association that disabled veterans are unaware that they are eligible for Chapter 31 benefits and for this reason choose to participate in the Chapter 34 program. The VA must insure that every compensatory veteran who applies for educational benefits is notified of his entitlement to Chapter 31 benefits and the advantages of enrolling in this program.

Mr. Chairman, the Blinded Veterans Association wishes to thank you and your distinguished Committee for the many hours devoted to this important legislation which would ensure that our nation's disabled veterans reach their full potential and rightful place in our society.

PARALYZED
VETERANS
OF
AMERICA

PREPARED
STATEMENT OF

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PARALYZED VETERANS OF AMERICA

BEFORE

THE SENATE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING CHAPTER 31 AND VOCATIONAL REHABILITATION

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Mr. Chairman and distinguished Members of the Committee, it is a privilege to appear before you today to present the views of Paralyzed Veterans of America concerning veterans' vocational rehabilitation.

Congress initiated vocational rehabilitation after World War I and the beneficiaries of this and subsequent programs were individuals who suffered service-connected disabilities in times when the nation was in a declared war or imminent danger, as defined by Congress. In 1962 Public Law 87-815, and later in Public Law 89-139, expanded the concept of vocational rehabilitation to include all persons with service-connected disabilities without regard to a specific war or danger.

It is very appropriate that Congress and the VA are giving serious consideration to remodeling the rehabilitation

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program at this time. Very likely the United States will see a revitalization of the military draft in the near future and the size of the military will probably expand in light of world hostilities. Even if this enlarged military force is never used in combat there will be an increase in the number of veterans with service-connected disabilities as a result of their service. It is only just that Congress and the VA seek to provide for these individuals who experience such hardships in service to the nation.

Very succintly, PVA's desire is for the Veterans Administration to implement a vocational rehabilitation program that will attract eligible veterans in need of such services into the program and will substantially benefit them once they have enrolled. For several reasons the current system of rehabilitation does not attract these veterans, many choosing to undergo education and rehabilitation elsewhere. We will examine the reasons they bypass the VA's vocational rehabilitation program as offered by Chapter 31, Title 38, United States Code. Furthermore, we will offer suggestions that we feel, if implemented, would make the VA's program more productive. The sources of our comments, in addition to Chapter 31, are the Veterans Administration's 1978 examination entitled "Study of the Provisions for Veterans Vocational Rehabilitation" and the Rehabilitation Act of 1973. Another source of information is PVA's survey of its members, conducted in 1979, and its examination of the rehabilitation program offered to veterans with spinal cord injuries or illnesses. This latter study was also conducted in 1979. Finally, we will include suggestions based on our research and analysis of the VA's vocational rehabilitation program as conducted by members of the Departments of Veterans Benefits and of Medicine and Surgery.

Many of our recommendations are similar to those expounded by the VA in its 1978 analysis, and they are reflected in the provisions of H.R. 5288 as passed by the House of Representative and in S. 1188 and Amendment 1661, and we would like to stress our support for many of these legislative proposals. More importantly, we will recount from first-hand experience as a veterans' service organization the changes necessary to make Chapter 31 an effective vocational rehabilitation progam for the nation's veterans.

It is widely accepted that the primary objective of vocational rehabilitation is to facilitate the optimal vocational development and adjustment of disabled persons. Implicit within this statement is the concept that satisfactory vocational adjustment encourages adjustment in other daily living activities. And, though it is of great value to discuss the humanitarian and social obligations to this country's service-connected disabled veterans, it is also of significance to mention the economic aspect as well. Not only does rehabilitation help an individual gain a stronger sense of self as a contributing member of society by having him optimally rehabilitated, but that person becomes a supporting member of society, contributing to the financial return of the investment society has made. In addition to increased self-support, goals such as contributing to family management, participating in community affairs, and, quite importantly, achieving personal satisfaction become attainable. Congress has long recognized the needs of the disabled and has continued to evaluate and study its vocational rehabilitation programs.

PVA is strongly supportive of the inclusion of independent living centers in any revision of Chapter 31. The pilot program of independent living services and assistance provided for by Section

1520 of Amendment 1661 to the proposed "Disabled Veterans Rehabilitation Act of 1979" is requisite if the needs of severely disabled veterans are to be met. For those veterans whose severe disabilities preclude employment goals, the concept of making independent living services available is fundamental to their achieving maximum independence and meaningful lives.

PVA commends Congress for mandating the recent study of Chapter 31 and for persevering in its attempts to eliminate the inconsistencies and inadequacies that continue to exist. The "Study of the Provisions for Veterans Vocational Rehabilitation" is an attempt to recommend changes which will bring the law into line with the most up-to-date philosophy and practice of vocational rehabilitation. The VA, in writing the study, is to be commended for the thoroughness exhibited in its self-evaluation.

Perhaps the greatest weakness in the vocational rehabilitation program under Chapter 31 is the very definition of rehabilitation. The veteran is considered to be rehabilitated when he is ready for employment, but what is critically needed is a definition of rehabilitation much like that contained in the Rehabilitation Act of 1973. Vocational rehabilitation must prepare and train the individual for employment, but, equally important, it should define rehabilitation as completed only when the individual has successfully, and for a specified period, of time maintained suitable employment or attained maximum independence.

It is obvious, based on a 1978 survey conducted of PVA's members, that the VA's program of vocational rehabilitation has not led to employment for catastrophically disabled veterans. PVA consists of approximately 10,000 members, all of whom have experienced spinal cord injuries or illnesses. As seen from Appendix A only 17 percent of our service-connected disabled members are employed. It is also worth noting that Table VII illustrates that a very low percentage of members who underwent the VA's vocational rehabilitation program have found employment, though the number is slightly larger than for those who did not participate in the VA's program.

The VA has proposed expanding the definition to include the criterion of employment, and we certainly support this recommendation. The provisions of the House passed bill H.R. 5288 and S. 1188 and Amendment 1661 to S. 1188 all clearly address this existing weakness in Chapter 31. The redefinition of rehabilitation will greatly facilitate the many needed improvements to the VA's program and will serve to make the program consistent with the most modern concepts of rehabilitation.

While the goal of any vocational rehabilitation program should be the training and actual employment of the handicapped person, PVA recognizes that the individual's family must also be included in the restorative process, because they, more than any one else, can often help the disabled veteran overcome many of his limitations and adjust to the restraints inherent to his disability.

The Rehabilitation Act provides benefits to family members such as homemaker services, day care, foster family care, and marital counseling. The VA, however, provides only neccessary medical care to the veteran and in certain cases to his dependents, but extended services such as those authorized under the Rehabilitation Act are not included.

The full understanding, willingness to learn and to teach, patience, and encouragement of persons who are especially close and significant to the severely disabled veteran cannot be underestimated as factors in successful rehabilitation. Without such assistance and support, the rehabilitation potential of the veteran will be limited, at best. PVA recommends that essential support services within the home should be funded through the vocational rehabilitation laws to allow for maximum response to training. Such services are of utmost importance to the individual undergoing rehabilitation and must be included in the expansion of vocational rehabilitation.

While Section 1504(9) of H.R. 5288, as passed by the House, Section 1503(9) of S. 1188, and Section 1504(9) of Amendment 1661 to S. 1188 all specify services to veterans' families in the scope of services to be available for rehabilitation, none of them clearly defines this area. It seems in keeping with the comprehensive nature of these proposals that available family services be more fully enumerated.

Rehabilitation, in order to be effective, must be a comprehensive, integrated process which gives continuing attention to physical, psychological, social, family, and economic pressures that increase as a result of the person's disability. The Rehabilitation Act provides a comprehensive, systematic procedure established for the development of an individually designed and agreed upon rehabilitation plan. This includes any necessary periods of evaluation to assist in the development of a suitable plan.

No similar period of evaluation presently exists for veterans, and they all too often are pressured into selecting a training plan or vocational goal with little attention given to their other rehabilitation needs. The VA system provides neither comprehensive nor integrated attention to the complexities impinging on the rehabilitation process, and no provisions are made to assist in evaluating rehabilitation potential or intervening to increase rehabilitation feasibility.

It must be pointed out that the several legislative proposals being considered address this area of concern; however, it must also be asserted that regardless of which proposal is enacted into law the manner of implementation is of utmost concern. The present situation consists of each VA facility interpreting and carrying out its own program of rehabilitation without standardized, coordinated planning. The result of this haphazard approach is that veterans continue to be ill-served.

PVA conducted a study of several aspects of health care available to veterans with spinal cord injuries or illnesses. This effort was completed in November 1979 and a large portion of it is dedicated to analyzing the various stages of the rehabilitation process. Appendix B illustrates rather vividly the overall lack of coordination that typifies the VA's rehabilitation program as it affects SCI patients. Briefly, the VA's approach has some duplication at certain facilities, but more importantly there is the virtual absence of certain greatly needed services. Furthermore, there is no system-wide approach to avoiding this duplication or to insure that all needed services are provided.

Appendix C is PVA's proposal for alleviating the above described problems. First, there needs to be established within the VA's Department of Medicine and Surgery the position of Associate Chief Medical Director for Comprehensive Rehabilitation. This individual's responsibility would be to coordinate an effective rehabilitation program and to constantly monitor its effectiveness, making adjustments whenever they are needed. Also, there should be increased coordination between the VA's Department of Medicine and Surgery and its Department of Veterans' Benefits. The improved linkage would insure the timeliness of benefits and would help alleviate the destructive problems that can arise when the disabled veteran must worry about his income maintenance instead of working toward his rehabilitation. Also, this improved coordination, in addition to providing an interdisciplinary approach to rehabilitation, would guarantee that benefits such as education or vocational training would be delivered in a timely manner so as to produce optimum results.

PVA proposes that the VA will need to employ a computer data-based management system if it aims to effectively track individuals in their various stages of rehabilitation and training. Such a management system would provide constant information on each veteran and would free health care, vocational, educational, and benefits specialists from managerial tasks and allow them to work directly with patients. Furthermore, this system would provide essential information to the VA concerning any given individual's progress from the time of injury or illness until he is an independent citizen again. PVA's goal is for the individual's needs to be discernable throughout his life from the onset of disability, and we feel that such a management system could be reasonably maintained and would insure for the veteran the maximum effective rehabilitation approach tailored to his individual needs.

The veteran is served by vocational rehabilitation only when physical reconditioning is completed, but early intervention with a comprehensive approach to rehabilitation that includes all aspects of readjustment, not just the vocational ones, are of utmost importance. Successful rehabilitation includes vocational, economic, psychological, and physical considerations and coordinated assistance in whatever areas that are needed.

At the present time the Rehabilitation Act of 1973 makes excellent provisions for the individual prior to entry into training and provides various options to him. Too often, though, the veteran, under the Chapter 31 program, is tied to a rigid, specific objective throughout the vocational rehabilitation process. Currently VA provisions seem to allow for a deferred objective or a designation of alternative objectives, but only under very specific conditions. Furthermore, these provisions are infrequently applied.

Often a veteran is discharged from the VA's Department of Medicine and Surgery with a physical condition not conducive to the rigors of readjustment and, with these pressures on him, he then has to make a hasty vocational decision which will determine his future. PVA strongly recommends that service-connected disabled veterans, especially catastrophically disabled ones, be encouraged to select a deferred objective during the initial stages of vocational rehabilitation. Section 1506 of Amendment 1661 clearly addresses this requirement and would provide for initial and extended evaluations for severely disabled veterans and PVA considers this to be a very important restructuring of the program offered under Chapter 31.

Deferment will enable the veteran to explore vocational objectives not considered prior to his injury or disease. For example, a veteran who had chosen prior to disability a vocational field that requires much physical labor and strength must, after the advent of disability, re-examine his objective and opportunities. Now, he must further develop his intellectural ability and pursue a career that lies within his physical capabilities. PVA further urges Congress to include in new legislation the mandate for the VA to provide extensive vocational evaluation facilities, in addition to deferred objectives. The result will be, hopefully, a broad spectrum from which a vetern may choose a career goal.

In the VA's study on Chapter 31, it states that Department of Veterans' Benefits counselors must visit VA hospitals on a liaison basis to perform specified tasks. While this is prescribed policy, it appears that in actual practice the visits are infrequent, there is no systematic examination, and there is little real coordination between the Department of Medicine and Surgery and the Department of Veterans Benefits staffs. The process of rehabilitation must be an integrated, holistic approach, involving all professionals.

PVA recommends that Department of Veterans Benefits psychologists initiate contact wtih severely disabled veterans within the first week of their initial hospitalization. This plan would insure that contact is made early and that the rehabilitation process will have begun early enough to be an integral part of rehabilitation. An example of this early contact can be observed in PVA's proposed model of integrated care for veterans in Spinal Cord Injury Centers. (Appendix C).

PVA recommends an increase in staff so that counselors can do more than is feasible with the one or two interviews presently conducted. Though the VA has well-trained counselors it tries to accomplish impossible goals with "one-shot" interviews such as now are conducted.

The Rehabilitation Act of 1973 specifies that one person is responsible for advising a particular client throughout the rehabilitation process, and PVA feels that severel, disabled veterans would benefit if the VA adopted a similar procedure. Ideally there would be a Vocational Rehabilitation Board, consisting of a counseling psychologist, vocational rehabilitation specialist, medical consultant, and social services staff member, supplemented by other DM&S or community specialists as needed. The VA has such a Board and provisions specify that it should meet to determine and to discuss feasible alternatives for "those seriously handicapped veterans...whose problems require joint interdisciplinary consideration." Specifically the Vocational Rehabilitation Board is to:

1) Evaluate the veteran's present and probable future work tolerance and physical and mental capacities and determine medical feasibility of entrance into or continuation in a course of vocational rehabilitation training.
2) The Board will not require that a veteran demonstrate his or her ability to obtain or keep a job or pursue training as a precondition to a determination that vocational rehabilitation is medically feasible.
3) If it is concluded that the veteran is not currently able to undertake a program of vocational rehabilitation, the board will make a determination of medical infeasibility and, whenever possible, recommend a therapeutic program to improve the veteran's condition so that entry into a course of vocational rehabilitation may become feasible.

The functions of the Board include primarily the evaluation of medical feasibility, and PVA agrees that medical feasibility for the severely disabled veteran is a major criterion in becoming eligible for vocational rehabilitation.

However, by including planning and evaluation in the definition of vocational rehabilitation, the Board would have the authority to do more than recommend a course of action to make the veteran's entry into vocational rehabilitation feasible. They actually could authorize such services to the veteran.

Too often, the Board, as it presently functions, either does not meet in a regional office or merely gives a "rubber stamp" approval for the recommendations of the regional office's counseling psychologist, recommendations made on too limited direct observations and consultation. If adequate pre-rehabilitation planning is not carried out, the veteran is likely to select a goal, find it unacceptable for one reason or another, and drop out of the program rather than admit failure or attempt to modify a rigidly established rehabilitation goal.

Counseling should be available to veterans throughout this planning process, and the Board should be required to meet to serve as a viable resource for determining suitable recommendations for each severely disabled veteran. By providing such services it is hoped that the need for "regulations to promote satisfactory conduct and cooperation" as contained in the three legislative proposals will be greatly diminished. Continuous, comprehensive counseling should serve to avert many of the problems which result in a veteran failing to make satisfactory progress in his rehabilitation program.

Unlike provisions of Chapter 31, the Rehabilitation Act of 1973 is much broader in its general approach to the entire rehabilitation process, an approach supported by professionals in the rehabilitation field and highlighted in the recommendations of the VA's Chapter 31 study. PVA fully supports the VA's position of expanding the Chapter 31 definition of vocational rehabilitation to include preparation, planning and evaluation before training, and assistance and support following training to insure employability and employment. Of necessity, this definition and approach must include assistance in job development, selective placement, and follow-up services to insure continued employment.

In addition to assisting with job placement and adjustment, attributes not presently contained in the VA program, the Rehabilitation Act also provides necessary occupational licenses, tools, equipment, initial stocks (including livestock), and other supplies which are needed at the beginning of employment or self-employment. It certainly is false economy to provide necessary equipment during training but then turn around and deny the same type of supplies, tools, or licenses to insure success on the job.

All of the proposed revisions of Chapter 31 address these two important areas and it is most incumbent that they be included in any revision of Chapter 31 if severely disabled veterans are to lead full, productive lives. Post-employment services and start-up materials are necessarily an integral part of any comprehensive rehabilitation program.

PVA feels that by expanding the definition of vocational rehabilitation, as previously suggested, and by providing whatever services and supplies are necessary, consistent with the expanded definition, the VA can facilitate successful attainment of the rehabilitation goal.

Just as Chapter 31 too rigidly restricts certain parts of the rehabilitation program, it too loosely defines others. For example, the Rehabilitation Act enumerates what goods or services are available to provide the full vocational rehabilitation of a client. The Act also stipulates that any unusual but necessary service can be provided for a particular recipient. Chapter 31 states that "other necessary incidental services" can be provided, but the VA's position is that the intent of this provision is so broad as to make it meaningless. Also, the VA has noted that the broadness of the provision also makes it subject to varied interpretations and applications.

The proposed changes to Chapter 31 offer reasonable solutions to this dual problem of rigidity and vagueness. Specifically authorized goods and services are listed but there is also an allowance for flexibility to meet the singular requirements of a particular individual.

Additionally, by redefining rehabilitation to include the actual attainment of employment these legislative proposals eliminate a chronic problem faced by many veterans under the existing provisions of Chapter 31. A veteran presently completing rehabilitation receives a lump sum payment based upon two months' subsistence allowance whether or not he has secured suitable employment. The disabled veteran frequently must conduct an employment search in considerable excess of two months due to several factors. First, he will most likely be seeking a position that requires skilled training or formal education by virtue of the fact that he is excluded from most jobs requiring physical labor. Secondly, because of his disability, the disabled veteran will face attitudinal barriers on the part of many prospective employers. Extension of the definition of vocational rehabilitation beyond employability to employment, H.R. 5288, S. 1188, and Amendment 1661 to S. 1188 would facilitate the veteran's transition to a fully productive life, both in terms of eliminating a potential financial hardship and by assisting in the securing of suitable employment.

Although the VA recommends that more intensive measures be taken to increase on-the-job training opportunities and that placement efforts be made by the vocational rehabilitation specialists, this seems to be placing more work on the very people who already have high case loads and expanded activities. Provisions of Amendment 1661 to S. 1188 would seem to alleviate this situation by limiting extended evaluation to those who have a serious employment handicap, thus reducing overall case loads. However, PVA recommends that a particular person within each Regional Office be assigned the responsibility of recruiting employers who are willing to take the lead in job development for disabled veterans. Financial assistance should be provided to these employers to help resolve problems such as architectural barriers and the refitting of any machinery to make it accessible to the handicapped. As one scholar notes, "It is one thing for an employer to want to hire a paraplegic in a wheelchair, and quite another for the facility to provide ramps, wide doorways, accessible toilets, and close-in parking that will make it possible for such an employee to travel to and function at work independently."

Specific legislation mandating affirmative action for the handicapped, Vietnam era and disabled veterans (Public Law 94-402 and Sections

501, 503, and 504 of the Rehabilitation Act of 1973) offers guidelines for reasonable accommodations in employment of the handicapped. The VA should be encouraged to take a lead role in insuring compliance with these affirmative action provisions.

State agencies, under the Rehabilitation Act, have the authority to contract with employers and organizations to provide on-the-job training. It is expected that individuals undergoing rehabilitation will continue to work in that particular industry or business when training is completed. Unfortunately, Chapter 31 makes no such provision for the training of large groups of people, although, as the VA reports in its study, the authority to make such arrangements would be a useful and cost-effective tool to be utilized as the occasion arose. PVA urges Congress to grant the VA this authority as proposed in H.R. 5288, S. 1188 and Amendment 1661 to S. 1188.

Besides training for employment in the private sector, rehabilitated disabled veterans should be considered for more job opportunities in government. The advantage of training in a Federal agency is that a disabled veteran is able to receive appointment to a position on a non-competitive basis. However, the present preference system is not being used very fully because, by VA regulation and policy, the on-the-job training wage rate is paid through the vocational rehabilitation program. Outside of a person engaged in vocational rehabilitation, people in the same or equivalent training position receive on-the-job training pay along with a specified wage from the particular Federal agency. The VA maintains that, in order to increase wages for such training, vocational rehabilitation should fund veterans at the regular institutional rate.

PVA feels that in all fairness a veteran engaged in training should be paid at the recommended institutional rate. This method of payment would increase usage of such training positions and, concurrently, make it easier for an individual to transfer from the rehabilitation program to meaningful employment.

PVA strongly endorses the provisions in S. 1188 and Amendment 1661 as they regard the utilization of Chapter 34 benefits without the concomitant loss of all Chapter 31 entitlements. For the disabled veteran to have the option of selecting Chapter 31 or 34 financial assistance without the associated loss of counseling and appropriate employment and post-employment services would be a meaningful change in the existing VA rehabilitation program. The more concrete and fuller range of services proposed in Amendment 1661 affords the disabled veteran a more flexible program option for utilizing both Chapter 31 and 34 benefits.

Whether the severely disabled veteran returns to work or not, optimal health care remains one of PVA's major concerns, and we recognize proper medical treatment as a basic necessity in the recuperation of the disabled veteran. PVA feels that readily available medical care is basic to restoring this veteran to the role of productive citizen.

Too frequently veterans qualify for medical assistance through the VA's DM&S but they do not receive preferential treatment while undergoing vocational rehabilitation. The result is that medical problems slow down the process of vocational rehabilitation, or worse, prohibit it from even beginning. PVA supports the several recommendations that Chapter 31 incorporate provisions for medical assistance both before the inception of training and while training is in progress.

PVA also recommends that veterans undergoing vocational rehabilitation training (Chapter 31) should be advised and encouraged to take advantage of contract health care (fee basis) provisions in cases where such treatment can help avoid unnecessary interruptions in the continuation of vocational rehabilitation.

Closely akin to expeditious medical treatment is the matter of subsistence. PVA strongly endorses the repeal of portions of the law which deny subsistence allowance to veterans actively engaged in vocational rehabilitation while in a VA hospital or domicilary facility. This provision adversely affects the more severely disabled veterans most harshly and unfairly. For example, a seriously disabled veteran who cannot be fully evaluated due to the severity of his disability should be provided an opportunity for extended evaluation to fully explore the ramifications of the disability. In order to take advantage of such comprehensive services, proper financial support for the veteran and his family must be provided during the evaluation process and during any subsequent rehabilitation training. Too frequently the large initial expenditure is wasted merely because the veteran must terminate his training before realizing fruition.

Occasionally catastrophically disabled veterans face sudden economic crises that interrupt their training. The VA presently provides a catastrophically disabled veteran loans totalling $200 for emergencies, an allowance not provided under the Rehabilitation Act. According to the VA's report, during the period of 1972 through 1977, requests for loans increased by 50% while the number of trainees increased only 5%. Obviously, there is a need for such loans to help maintain the veteran in training, and according to field workers' reports there is an urgent need to increase the amount that a veteran can borrow. Section 1512 of Amendment 1661 provides for a higher ceiling on funds available to veterans enrolled in a rehabilitation program than do similar provisions in H.R. 5288 and S. 1188, and this increased level is more realistic in view of today's rapidly escalating costs. Additionally, this proposal provides for the automatic increase in the loan limit with any increase in the assistance allowance rate.

PVA recommends that a cumulative amount not to exceed $2,000 be allowed to a veteran from the revolving fund. Emergency financial obligations often thwart vocational rehabilitation, and today's inflated prices and living expenses justify raising the ceiling amount of emergency loans.

As expected, the most severely disabled veterans are likely to be the ones who suffer the greatest financial hardships, because they frequently need restorative training prior to or during the vocational rehabilitation process. VA regulation reasonably states that such training may be provided in a special rehabilitation facility only when such services are not readily available through a VA facility.

PVA accepts the requirement that rehabilitation should first be provided by the VA, but we strongly oppose the stipulation that if the VA cannot provide proper training and if the use of an outside facility is required, the individual veteran must provide for the cost of such training if it exceeds the regular institutional rate for room and board. Consequently, the use of such facilities is very limited due to the nature of the services and the cost of providing them. Here again, the most severely disabled are the ones most in need of such services, and again, most likely not to receive them. The Chapter 31 study recommends that the cost of such specialized training be covered under vocational rehabilitation, and PVA concurs. It is very important to provide services to those most in need. It occurs to us that the large number of those veterans classified as "infeasible" might be helped to become medically able through such provisions to qualify for vocational rehabilitation.

The rehabilitative process takes months and even years, and the more severe the physical and psychological damage, the longer it takes. Current VA regulation (38 CFR 21.206) and policy (M22-1, Part I, Paragraph 5.04) state that vocational rehabilitation may be extended beyond the usual 48 month period. Such extensions are granted if a suitable objective cannot be attained within the specified four year limit. The VA discusses in its study the range of interpretation which can be placed on the criteria of suitability of an objective; futher admission is made that regional offices differ widely in their administration and authorization of extensions beyond the four year limit. Certainly, each person engaged in vocational rehabilitation should be encouraged to attain maximum independence, adjustment, and satisfaction in the career of choice. Maximizing potential is crucial. When extensions are granted only for negative reasons (severity of disability, remedial work necessary to begin training, suitable goal cannot be attained within four years), the implied emphasis, by its very nature, must be placed upon finding suitable goals which can be accomplished within the limited time. While we are not advocating unlimited training and education, we strongly feel that a person's potential must be capitalized upon in order to assist a veteran in accomplishing satisfactory rehabilitation.

PVA supports the Administration's desire, as proposed in S. 1188, to raise from 48 months to 64 months the general limit on vocational rehabilitation programs. This latter limit is based on the idea that 64 months' allowance would enable a veteran to earn a bachelor's and a master's degree, an educational level necessary for entry into a broad range of job fields. However, a warning is in order. Broadening the definition of vocational rehabilitation to include planning and evaluation prior to the actual start of training or education extends the length of the rehabilitative process, and this preparatory treatment must not be deducted from the veterans' period of eligibility. Restrictive time limits seriously affect the rehabilitation of those most severely disabled. Their need for more evaluation and adjustment services, against which an entitlement may be charged, must not result in limited opportunities for those most in need of extensive rehabilitation. Therefore, PVA recommends that the 64 month provision of S. 1188 be combined with the provision of Amendment 1661 which would allow for an initial 12 month evaluation period and incremental 6 month extensions for extensive evaluation.

PVA supports the extension of eligibility to 64 months but must stress that certain individuals will require longer periods for optimal recuperation and training, and in such cases the VA must be encouraged to make special allowances for extended periods of treatment.

Perhaps the best way to illustrate the need for changes in the vocational rehabilitation program administered by the VA would be to show its effects on PVA's members who are catastrophically disabled veterans, many of whom qualify for training under Chapter 31.

The data upon which our statistics are based was accumulated in 1976. According to our survey of PVA's service-connected disabled members, 69% have pursued some training since their injury; 81% indicate they now receive no income from a paying job. In addition, 71% continue to receive Social Security Disability Insurance benefits as a result of their inability to pursue gainful employment. We can draw several conclusions from this data. In the first place, our members are quite interested in training and education to overcome their disability. Secondly, the pursuit of training or education has been no guarantee that employment will follow. Certainly, the rehabilitation program stops short of placement assistance to the service-connected disabled veteran, thereby failing in its purpose of full rehabilitation. Only 15% of the respondents indicated they were working at steadily paying jobs, while 86% indicated that they had worked steadily prior to injury. An additional 44% indicated that although they had worked at some time since their injury, they are now unemployed, and 50% indicated they have been unemployed for four or more years. Of course, there are among our membership those for whom working is not feasible. But this is a small percentage. In our survey of service-connected disabled members, 32% indicated they would be interested in additional training, and only 50% ruled training out as an area to benefit them in further vocational adjustment. Our members are well aware that training and education are the key to job opportunities.

A second survey of PVA's members was completed in 1979 and its findings support the profile established by the 1976 study. It is apparent from the more recent examination that little change has occurred in the levels of employment. Futhermore, it is evident that levels of education are a more significant factor leading to employment than are the present rehabilitation services provided under Chapter 31. However, it is also apparent that the non-vocational services offered by Chapter 31 are essential in preparing a severely disabled individual for his educational goals. These findings support the need for incorporating Chapter 34 educational benefits with the rehabilitative services offered by the proposed changes to Chapter 31. (Appendix A, Tables VII & IX).

Many of our members want to return to work, but economic disincentives to do so adversely affect them. We feel that our members are able to make a significant contribution to society through their experiences, their optimistic outlook on life, and their desirable qualifications for many careers. Successful rehabilitation must include employment as the ultimate goal. However, the present rehabilitation program does much to discourage use of Chapter 31 benefits. The program as presently construed is not geared to the needs of individuals. Furthermore, service-connected disabled veterans have unique problems which are served well only by an individual approach to training and education. As a result of this situation, at the present time, there are approximately three times as many service-connected disabled veterans training under Chapter 34 as under Chapter 31. Of those enrolled in training under Chapter 34, one-third are 30% or more disabled. Furthermore, the VA reports that "approximately 50% of Vietnam era veterans rated 100% disabled have participated in training under Chapter 34." In our present economy, we cannot stress enough that economics plays a major factor in choice of programs. Simply put, a veteran is provided more subsistence allowance under Chapter 34 than under Chapter 31;

the conclusion as to why service-connected disabled veterans choose Chapter 34 over Chapter 31 is obvious.

We also wonder whether the veteran perceives any difference between the two programs other than a monetary one. Certainly, under the VA's current administration of vocational rehabilitation, little evaluation, planning, or even counseling is carried out with the veteran. We strongly support the position that subsistence payments between the two programs be equalized. Also, broadening the definition of vocational rehabilitation to include counseling psychologists' visitation and initiation of counseling in VA hospitals would assist the veteran in understanding the differences between the two programs and the special, individualized assistance available under vocational rehabiltation. In addition, the inclusion of employment as a goal of rehabilitation (as opposed to training and education under Chapter 34) would assist the veteran in perceiving rehabilitation as a means to achieve independence and not just payment for training.

Rehabilitation is no longer simply a means of training to a level of employability. Rehabilitation involves attaining maximum potential for normal living, including all spheres of life. It must be seen as an approach involving physical rehabilitation, social rehabilitation, psychological rehabilitation, and vocational rehabilitation. An approach to rehabilitation which concentrates solely on one area to the exclusion or diminution of the others is doomed to minimal success, if success is obtainable at all.

There remains but one area on which we would like to comment, an area not touched upon previously. There is a large number of service-connected disabled veterans who are not now in training and never have been involved in vocational rehabilitation for one reason or another. Many of these veterans have gone past their entitlement limit or are about to reach it. The elimination of a period of eligibility would make these veterans eligible for services. However, we feel that the mere elimination of these limits would do little to encourage these individuals to pursue rehabilitation. We advocate a study of these individuals. Paralyzed Veterans of America suggests that an outreach program which involves personal visits be instituted to contact severely disabled veterans who are eligible but remain hesitant to accept training under Chapter 31. Such visits should be designed to encourage veterans to make use of the rehabilitation services offered; to persuade them that they are able and capable of making a positive contribution to society; and lastly, to make them aware of the current legislative changes authorized under the rehabilitation program. Certainly, designing an employability plan for such individuals which is suitable and attainable should be one of the first considerations given. Counseling should be encouraged when necessary to help the veteran build self-motivation to deal with his complex situation. The long-range goal is to build an optimistic and productive attitude towards rehabilitation and the world of work.

Any functions of the vocational rehabilitation program, whether or not they originate out of PVA's recommendations, should be monitored and evaluated constantly and critically for their overall effectiveness. Under the Rehabilitation Act of 1973, specific ways and methods of evaluation are enumerated, but the VA has only recently conducted its first evaluation of the vocational rehabilitation program. While this effort at evaluation is commendable, Paralyzed Veterans of America feels that evaluation should be an on-going process to assess program strengths and weaknesses, and to make necessary changes as indicated by the results. The VA currently does a statistical quality control based mainly on review of random cases. However, a more basic evaluation of the overall program in regards to the comprehensiveness, timeliness, and continuity of service should be undertaken, if not on an ongoing schedule, at least at legislatively scheduled intervals.

PVA certainly appreciates the concern demonstrated by the members of the Committee for improving the Vocational Rehabilitation program of the Veterans Administration. The legislative proposals currently under consideration all address many of the weaknesses presently inherent in Chapter 31; however, Amendment 1661 to S. 1188 offers the most comprehensive and necessary restructuring of this program. In light of the most modern philosophy of rehabilitation and the needs of America's disabled veterans we strongly support passage of Amendment 1661 with only several modifications. The enumeration of specific family services is most necessary if the confusion and vagueness of the present Chapter 31 program are to be avoided. Also, it must be stressed that the elimination or modification of the delimiting date for catastrophically disabled veterans be incorporated in this proposed legislation if the needs of these veterans are to be adequately served. There is a definite need for outreach to disabled veterans who for various reasons are not presently being served by the VA's rehabilitation service. Finally, an ongoing monitoring and evaluation of the various programs must be provided for if rehabilitation under Chapter 31 is to keep abreast with the most current developments in the field.

Mr. Chairman, thank you for your attention, and I will gladly answer any questions that I can.

APPENDIX A

PVA MEMBERSHIP SURVEY

EMPLOYMENT AND THE SEVERELY DISABLED VETERAN

The severely disabled veteran should have both the right and the incentive to become an important part of the work force. Yet, the statistics found in the 1978 PVA survey show that the majority of respondents are not active participants in the work force. This article will outline this lack of participation and then explore the potential reason for the high unemployment rate. In looking at employment and the severely disabled veteran, this article will explore the relationship between education, placement services and qualifications, and the high unemployment rate.

I. Describing the Problem

Prior to their injury 91.5% of the respondents were employed. After the injury, only 15.3% of the respondents were employed. This is a rather significant transition – a transition which is not affected by the status of an individual respondent (Table I) nor the type of disability that an individual (Table II) has. Even when one considers the extent of disability, there is no clear difference between categories. When one looks at this breakdown (Table III), the respondents with less severe disabilities are not predominantly employed. The significance emerges as a result of comparing a 23% unemployment rate with a 2 percent employment rate. In looking at period of service and the employment rate, one finds that Vietnam era veterans have a slightly higher rate of employment than other respondents. Undoubtedly one of the reasons for this difference is the age of this sub-population. Table IV presents these results.

TABLE I: EMPLOYMENT STATUS & STATUS OF VETERAN

	Employed	Unemployed
Service connected	16.9	82.7
Non-service connected	12.7	87.3

(n=462)

TABLE II: EMPLOYMENT STATUS & TYPE OF DISABILITY

	Employed	Unemployed
Paraplegic	17.4	82.6
Quadriplegic	12.6	87.4
Other	12.5	87.5

(n=462)

TABLE III: EMPLOYMENT STATUS & EXTENT OF DISABILITY

	Employed	Unemployed
No assistance	23.1	76.9
With no architectural barriers and no assistance	24.8	75.2
Need help getting up in morning, etc.	18.9	78.4
Need help with most things	11.0	89.0
Need someone with me at all times	2.0	98.0

TABLE IV: EMPLOYMENT STATUS AND PERIOD OF SERVICE

	Employed	Unemployed
Pre WW II	3.4	96.6 (n=20)
WW II	13.7	86.3 (n=183)
WW II to Korea	5.6	94.4 (n=18)
Korea	14.3	85.7 (n=77)
Korea to Vietnam	14.0	86.0 (n=57)
Vietnam	25.5	74.5 (n=94)
Since Vietnam	0	100.0 (n=2)

There are many different reasons that severely disabled veterans are unemployed. Table V presents a list of potential reasons for the lack of employment. The 2 most often cited reasons for the respondents lack of a job are related to their medical problems.

TABLE V: REASONS FOR UNEMPLOYMENT

I am in school	4.7%	(n=22)
Too many medical problems	43.7%	(n=203)
Lose too much in disability benefits	21.3%	(n=99)
Disability is so severe that respondent is dependent on others	43.4%	(n=202)
Unable to find a job	10.5%	(n=49)
Turned down because of disability	8.4%	(n=39)
Employers ask uncomfortable questions	3.0%	(n=14)
Barriers are obstacles	17.2%	(n=80)
Uncomfortable out in public	3.4%	(n=17)
Getting ready takes too long	9.7%	(n=45)
Other sources of income are adequate	12.9%	(n=58)

Relevant Characteristics and Employment Status

Important variables to consider deal with the level of skill an individual has acquired. Vocational rehabilitation does have a slight effect on the potential for employment. Table VI presents the relationship between these 2 variables. Respondents who participate in vocational rehabilitation programs are more optimistic about obtaining employment in the future.

TABLE VI: FUTURE EMPLOYMENT & VOCATIONAL REHABILITATION

		Vocational Rehab.	No Vocational Rehab.
Future Employment	Likely	13.0%	4.9%
	Possible	31.9%	21.2%
	Not likely	29.1%	35.9%
	Not possible	15.9%	37.9%

This attitude does seem warranted. The current employment rate for severely disabled veterans who have utilized vocational rehabilitation benefits is twice that of those veterans who have not utilized these benefits. But this distinction is not statistically significant. If one uses statistical significance as a criterion for accepting or rejecting the relationship, one must ignore this relationship. Vocational rehabilitation benefits do not significantly affect current employment. This lack of a relationship is captured in Table VII.

TABLE VII: VOCATIONAL REHABILITATION AND EMPLOYMENT STATUS

	Employed	Unemployed
Vocational rehab.	27.1%	72.9% (n=96)
No vocational rehab.	12.3%	87.5% (n=351)

(n=448)

Given this lack of a relationship, it is necessary to search for alternative routes to employment for the severely disabled veteran. The type of additional training after an injury has no significant effect on the type of occupation an individual respondent currently holds. Likewise, the highest level of schooling has no significant effect on current occupation type. The type of pre-injury employment seems to be the most significant indicator of an individual's current occupation. But the number of respondents is so small (n=74) and the number of empty cells in the matrix so large, that the results are not very conclusive. The most often cited occupation is a professional. (46.9% of the respondents holding a job said this was their current occupation.) This is followed by administrative positions and craft positions. Table VIII presents this description of the small group of respondents who are currently employed.

When one looks simply at employment status, a slightly different relationship emerges. The type of additional training does affect employment status, as does the level of schooling.

TABLE VIII: CURRENT OCCUPATION OF RESPONDENTS

Professional	46.9%
Administrative	18.8%
Clerical	4.7%
Sales	7.8%
Farmer	1.6%
Transportation & Communication	1.6%
Craftsman	12.5%
Service	4.7%

(n=64)

The type of pre-injury occupation, on the other hand, has no effect on current employment status. This suggests that additional training through conventional sources may help an individual obtain a job, but it has no direct effect on the type of occupation he will acquire. A person's previous work experience is much more likely to determine current occupation. These findings suggest that a college education is a much more important training tool than vocational rehabilitation in securing employment for the disabled veteran. Table IX presents these results on additional training.

TABLE IX.A: ADDITIONAL TRAINING & EMPLOYMENT STATUS

		Employed	Unemployed
Level of Education	High school	8.3	91.7
	Trade school	16.7	83.3
	Attend college	18.8	81.3
	Finish college	25.9	74.1
	Attend graduate/professional school	31.6	78.4
	Finish graduate school	62.5	37.5
	Other	20.0	80.0

(n=460)

TABLE IX.B: EMPLOYMENT STATUS & HIGHEST LEVEL OF SCHOOLING PRIOR TO INJURY

	Employed	Unemployed
Junior high school	6.6	93.4
High school	13.2	86.3
Trade school	4.0	96.0
Some college	17.5	82.5
College degree	37.9	62.1
Some graduate/professional school	40.0	60.0
Graduate/professional degree	33.3	66.7
Other	8.3	91.7

(n=460)

These results are somewhat surprising when one considers the relatively high level of schooling the group of respondents utilized. Over 55% have utilized additional training benefits, yet there is still a low level of employment for the group. (See "Profile of Spinal Cord Injured Veterans" for the level of utilization of education benefits.) There must be some type of disincentives which do not promote employment. There are 2 reasons which seem to have an effect on employment. The threat of losing disability benefits and other sources of income separate service connected and non-service connected respondents. Non-service connected respondents are more likely to feel that they will lose disability benefits, while service connected respondents are much more likely to feel that other available sources of income are adequate. This, of course, corresponds to the fact that the major sources of income for non-service connected veterans are Social Security Disability Insurance and VA pension, which are no longer paid when the individual demonstrates an ability to work.. Disability compensation to service connected veterans is paid regardless of whether or not the veteran is working. Table X presents these cross-tabulations.

TABLE X: REASONS FOR UNEMPLOYMENT

	Lose disability	Do not lose disability
Service connected	16.5%	83.5%
Non-service connected	35.1%	64.9%

(n=391)

	Other sources adequate	Other sources inadequate
Service connected	21.7%	78.3%
Non-service connected	7.0%	93.0%

In addition, service connected respondents are more likely to have held a full-time job since their injury than non-service connected respondents. These results are presented in the final table, Table XI.

TABLE XI: FULL-TIME JOB SINCE INJURY

	Full-time job	No full-time job
Service connected	36.7%	63.3%
Non-service connected	13.5%	86.5%

APPENDIX B

PVA'S SURVEY OF REHABILITATIVE SERVICES
FOR
VETERANS IN SPINAL CORD INJURY CENTERS

THERAPEUTIC SERVICES STAFFING

Certain basic tasks must be accomplished by therapists if a spinal cord injured individual is to achieve maximum rehabilitation. However, each SCI center assigns different responsibilities to different departments. Thus, the role of a given department - and therefore the number of therapists hired at a given facility within each department - follow completely individual patterns.

PATIENT BEDS/PHYSICAL THERAPISTS

11	Houston
14	Wood
15	Palo Alto
17.5	Miami
20	San Juan
24	Castle Point, East Orange
24.8	Richmond
25	West Roxbury
26.7	Cleveland
32	Memphis
32.3	Long Beach
40	Hines
42	Tampa
53.3	Bronx
86	Hampton
116	Brockton

PATIENT BEDS/OCCUPATIONAL THERAPISTS

15	Palo Alto
17.5	Miami
18.7	Wood
20	San Juan
22	Houston
25	West Roxbury
40.2	Richmond
42	Tampa
42.1	Cleveland
43	Hampton
44.8	Long Beach
48	East Orange
50	Castle Point
58	Brockton
64	Hines
80	Bronx, Memphis

PATIENT BEDS/CORRECTIVE THERAPISTS

17.5	Miami
20	West Roxbury
20.6	East Orange
21	Bronx, Tampa
22	Houston
22.2	Castle Point
24	Long Beach
24.8	Richmond
29	Brockton
30	Palo Alto
40	Cleveland
43	Hampton
48.5	Memphis
80	Hines
Not applicable -	San Juan, Wood

PATIENT BEDS/MANUAL ARTS THERAPISTS

64	Hines
65.7	Long Beach
86	Hampton
144	East Orange
160	Bronx
168	Tampa
303	West Roxbury

8 facilities do not utilize MAT's; Houston shares its MAT's with other departments in the facility.

As can be seen by the accompanying staffing ratio charts, different therapy specialties are prevalent at each facility. Although Wood has close to the best patient/staff ratios in physical and occupational therapy, they do not use corrective therapists in the SCI treatment program. West Roxbury, on the other hand, is about average with respect to physical therapists, slightly better than average with respect to occupational therapists, and second only to Miami with respect to corrective therapists. Which facility thus has the "better" patient/staff ratio in the therapeutic specialities? Clearly, no legitimate method of comparison can be applied at the present time.

All of the VA's Spinal Cord Injury Centers that responded to PVA's survey have physical and occupational therapy sources available to their patients. All except San Juan and Wood have corrective therapy departments, and 10 of the SCI centers provide manual arts therapy. In addition, 14 of the centers responding provide recreation therapy for their SCI patients, and 1 facility utilizes an art therapy program.

The duties and responsibilities of rehabilitation medicine specialists at each facility are indicative of the diversity of the treatment programs available to SCI veterans throughout the VA system. The responsibilities assigned to each rehabilitative specialty are dependent upon the size of the facility, the kinds of patients at that facility, the historical strength of each particular department at the facility, and the attitudes of the chiefs of spinal cord injury and rehabilitation medicine.

The following charts indicate the responsibilities of rehabilitation medicine specialists at each of the VA's spinal cord injury centers.

PHYSICAL THERAPY

Bronx	Bedside therapeutics including balancing exercises and range of motion exercises
Brockton	Evaluation and treatment of musculo-skeletel symptoms and deficiencies
Castle Point	Therapeutic exercise (range of motion, positioning, strengthening, transfers, ambulation); record joint and muscle exam; evaluation for exercise equipment; periodic evaluation of neuro-muscular status
Cleveland	Complete physical treatment, initial evaluation; muscle and sensory training
East Orange	Provides on prescription definitive treatment and functional rehabilitation for the purpose of deformity and attaining optimum health and function
Hampton	To administer all tests, treatments, modalities, etc., as prescribed by the physicians. To write progress notes, record all pertinent statistical data.
Hines	Passive range of motion, active range of motion; tilt table, Hubbard tank, transfer activities, strengthening exercises, wheelchair shower chair, tub transfer, etc.
Houston	Mat program, initial wheelchair sitting, manual muscle strength test, functional evaluation, passive range of motion, PREM, gait training, transfer activities, TNS, ultrasound diathermy, neuromuscular function techniques
Long Beach	Family training, teach initial activities of daily living, use modalities of heat; ultrasound massage. Initial ambulatory techniques

Memphis	Muscle testing, re-education, range of motion, tilt table, ambulation, equipment ordering. Aides: Passive range of motion on long-term old injury, assist PT in above, administer hydrotherapy and UV
Miami	Muscle testing; sensory evaluation; check pripioception, take measurements of range of motion; general mat exercise; transfer activities; use different modalities like electrical stimulation, etc., ultrasound, write evaluations and progress notes
Palo Alto	Evaluation and treatment - range of motion, muscle testing; gait and ambulation; car, mat and floor transfers; hydro therapy
Richmond	Evaluate and plan therapeutic treatment program; equipment evaluation; patient and family education. Participation in admission and discharge conference and chart rounds
St. Louis	INFORMATION NOT AVAILABLE
San Juan	Conditioning braces, transfers, range of motion, balance, driver training
Tampa	Home evaluation; MMT, activities of daily living training, muscle re-education; electronic testing, gait training, transfer techniques, biofeedback and pain relief
West Roxbury	Range of motion and muscle exams, therapeutic exercise, activities of daily living, chest physical therapy, family education
Wood	Physical re-conditioning, re-education, rehabilitation. Rehabilitation equipment assessment. Training: Driver education; training coordinates, technical aid, demonstration unit.

OCCUPATIONAL THERAPY

Bronx	Tonic activities, activities of daily living, home visits, prosthetic evaluation
Brockton	Tonic and kinetic treatment, activities of daily living, and adaptive devices

Castle Point	1. Therapeutic exercise, primarily hands and forearms. 2. Evaluate for static and dynamic splints and terodesis splints. Hand exercise device. 3. Wheelchair evaluation and training.
Cleveland	Activities of daily living
East Orange	Prescribes on description definitive treatment and functional rehabilitation for purpose of deformity and attaining optimum health and function
Hampton	Provides evaluations, exercises, activities of daily living training, adaptive equipment. Evaluates for wheelchair and cushion. Performs home evaluations, instructs family, documents progress. Maintains statistics
Hines	Activities of daily living, assistive devices for feeding and personal care, splinting upper extremities exercises
Houston	Activities of daily living, orthosis adaptive equipment
Long Beach	Upper extremity functions, bracing v/e, kitchen checks, home evaluation
Memphis	Activities of daily living, wheelchair class, active range of motion of upper extremities; splinting, upper extremities; living skills
Miami	Upper extremity muscle test, sensory evaluation, range of motion evaluation, muscle re-education, evaluation training in activities of daily living to include dressing, personal hygiene, transfers, cooking, home visits, self-feeding, diversional activity
Palo Alto	Evaluation and treatment - activities of daily living, self-care orthotics, major equipment related to activities of daily living, splinting, range of motion, strengthen upper extremities pre- and post surgery
Richmond	Evaluation and treatment of upper extremities, bracing, splinting; activities of daily living evaluation; patient education; SCI team meetings
San Juan	Activities of daily living, functional activities, pre-vocational rehabilitation
St. Louis	INFORMATION NOT AVAILABLE

Tampa	Upper extremities dressing; activities of daily living of upper extremities; make or order splints, adaptive equipment, manual muscle testing, strengthen muscles, home evaluation for quadriplegics, order equipment for home
West Roxbury	Range of motion, splinting feeding, light hygiene, some bed mobility, some dressing, hand program, home visits, fabricate equipment
Wood	Range of motion muscle strengthening and coordination, adapted equipment assessment and fabrication/issue; vocational/avocational assessment and training, activities of daily living assessment and training, bachelor living skills, SCI apartment

CORRECTIVE THERAPY

Bronx	General condition exercises, activities of daily living, home visits and prosthetic evaluation
Brockton	Gait analysis, training, home accessibility evaluation, transfer training, wheelchair prescription, therapeutic swimming, range of motion and muscle training
Castle Point	1. Provide therapeutic exercise (range of motion, strengthening; standing, ambulation; general conditioning) 2. Evaluate for exercise equipment 3. Driver training 4. Evaluation for adaptive devices for driving
Cleveland	Physical maintenance, bracing, walking
East Orange	Provides on prescription definitive treatment and functional rehabilitation for the purpose of deformity and attaining optimum health function
Hampton	Provide therapeutic exercises and tests as indicated by psychiatrist, clinic home and bedside types; prepare reports
Hines	Similar to physical therapy but more involved in strengthening and conditioning, pool swimming, device training
Houston	Gait training, driver's training, ENA, braces, orthosis, passive range of motion, tilt table

Long Beach	Advanced bracing techniques, general conditioning program, resist exercise, advanced activities of daily living, family training, driver training, adaptive equipment evaluation
Memphis	Self-care, transfers, conditioning exercises; standing and crutch training; driver training
Miami	Transfer activities, ambulation training, tilt table, home visits evaluation, exercises to strengthen upper and lower extremities
Palo Alto	Upper extremities strengthening, gait and ambulation, orthostatic tolerance exercises, cardio-vascular conditioning; equipment ordering for above. Liaison to other services
Richmond	General conditioning and strengthening; driver education; standing activities; balance, coordination, equipment coordination; physical therapy education and family training
San Juan	N/A
St. Louis	INFORMATION NOT AVAILABLE
Tampa	Dressing LE's; transfers to bed, tub and toilet; range of motion, home evaluation; therapeutic exercises on lower extremities, driving training, bedside exercises
West Roxbury	Functional and routine exercise, dressing and transfers, ambulation, driver training, family/sex education
Wood	INFORMATION NOT AVAILABLE

MANUAL ARTS THERAPY

Bronx	Electronic and radio classes, arts and painting
Brockton	N/A

Castle Point	N/A
Cleveland	Vocational evaluation
East Orange	Provides on prescription activities of vocational and educational significance to achieve objectives defined in rehabilitation goal
Hampton	Wheelchair repair electronics - radio and television repair, CWT - Poppy Program
Hines	Prevocational testing, orientation and evaluation (Tower method); clerical, fina and commercial art, drafting, mechanical, electrical, etc. Compensated work activity
Houston	Shared with general facility
Long Beach	Vocational and avocational training, lapidary, wooddrop, electronics, photography, Singer testing
Memphis	Vocational testing (Valpav); vocational-avocational activities
Miami	N/A
Palo Alto	Evaluate and treat with special request (0 assigned)
Richmond	N/A
San Juan	N/A
St. Louis	INFORMATION NOT AVAILABLE
Tampa	Bedside activities of pre-vocational nature. Help with equipment design and adaptation. Pre-vocational counseling and work evaluation
West Roxbury	N/A
Wood	NOT INVOLVED

It is imperative that the VA establish some criteria for therapeutic staffing that will be followed by the SCI Centers in the system. Unless such criteria are enforced, the quantity and quality of rehabilitation services available to SCI patients will depend largely upon the location in which they are hospitalized.

PSYCHO-SOCIAL STAFFING

As with virtually every other staffing category, psycho-social staffing ratios very significantly from one facility to the next. While Tamps's SCI Center has 5 social workers for 42 beds, Long Beach has 5.5 social workers for 197 beds. Cleveland, Brockton, East Orange, Hampton, Houston, Miami, and Palo Alto each have one social worker assigned to the SCI service, although the number of beds at these facilities range from 30 at Palo Alto to 80 at Cleveland.

PATIENT BEDS/SOCIAL WORKERS

8.4	Tampa
21.4	Castle Point
22	Houston
22.2	West Roxbury
22.8	Hines
26.7	Bronx
30	Palo Alto
33.3	San Juan
35	Miami
35.8	Long Beach
36	East Orange
37.3	Wood
40	Memphis
43	Hampton
46	Richmond
58	Brockton
80	Cleveland

The staffing ratio variances among psychologists assigned to SCI are just as great as the variances among social workers. Brockton, East Orange, Hampton, Houston, Miami, and Palo Alto each have one psychologist assigned to the SCI service, while those services range in size from 22 beds at Houston to 58 beds at Brockton. San Juan and Tampa, with 20 and 42 beds respectively, each have less than a full-time psychologist assigned to the SCI service. Both Brockton and East Orange (58 and 36 beds respectively) also have a 1/2 time psychiatrist assigned to the SCI service. However, the patient bed/psychologist ratio at those 2 facilities is no more comparable than are the patient beds/psychologist ratios at the rest of the facilities.

APPENDIX C

PROPOSED SPINAL CORD INJURY MANAGEMENT SYSTEM

I. Problem

A. The administration and management of health care and benefits to the nation's eligible veterans through the Veterans Administration is subject to inconsistency, delay and neglect.

1. As this problem relates to those veterans who are permanently disabled, due to spinal cord injury (or disease related cord dysfunction), the situation is particularly ineffective.

a. The difficulty has its origins within the (1) medical professional staff, (2) allied health personnel, (3) facilities design and construction, (4) ancillary systems, (5) administrative coordination; and, (6) management systems, (7) statutory entitlements and (8) health care funding.

1.) The medical professional staff is not used properly within the VA. Too much time is devoted to non-medical activities. As a result, patient care is neglected, and rehabilitation is delayed or defeated.

2.) Allied health professionals (e.g., physical therapists, psychologists) are frustrated by archaic management systems, confused lines of authority and misplaced responsibility.

3.) While facilities design and construction is improving, results that would best serve the modern concept of rehabilitation are often compromised by insufficient funds.

4.) Ancillary systems, primarily those advanced generational computer hardware and software packages, and the necessary personnel to operate such systems, are either obsolete, suffer from malfunction and sub-standard maintenance, or do not exist.

5.) The single most serious problem within the VA is the provincial contentiousness that exists between the Department of Medicine and Surgery, and the Department of Veterans Benefits. This has been traditionally entrenched and results in bureaucratic self-service, thus defeating the purpose of the VA...service to the veteran.

6.) Management systems in the VA exhibit an outmoded solution to the complexities of service delivery. Traditionally, when a problem has been identified, the solution is simply to add a linear component to the structure of the agency to apply the needed service. Modern management calls for a review of the entire process, utilizing systems synthesis. In this case, the focus would concentrate on the veteran, as opposed to overriding concerns about administrative lines of authority and appropriate linkage with other bureaucratic components.

7.) Many statutory entitlements are excessively limiting, restrict the best utilization of facilities, personnel and systems; and, mitigate against the provision of services to severely disabled veterans, regardless of their legal status within the VA structure.

8.) Health care funding of facilities, personnel and systems weigh against overall efficiency, and preparation of the disabled veteran for return to the community as a productive, or integrated, participant in the daily life activities of the community. Through improved funding procedures, based on more creative and innovative concepts inherent in comprehensive rehabilitation, actual expenditures for such service could be reduced, or maintained at reasonable levels.

B. Currently, the VA does not have an internal component that is designated to provide comprehensive rehabilitation. The Rehabilitation Medicine Service, within DM&S, does not suffice in this regard. Therefore, the provision of consistent, timely and coordinated rehabilitation, coupled with continuous reinforcement of the concept of the disabled veteran as a valued member of society, with potential for productivity, regardless of his category and degree of disability, does not exist in the VA.

II. Definitions

A. Comprehensive rehabilitation

1. As defined by the VA Comprehensive Rehabilitation Task Force Report, Section 4 (Definitions)

a. "Comprehensive rehabilitation is a systematic process by which persons with physical or mental handicap(s) are provided the medical, psychological, social, educational, and vocational services they need to attain maximum independence, and by which there is a continuing and concurrent interaction among the services comprising the overall rehabilitation process."

B. Quality of care

1. Essentially indefinable. "Quality" is an ephemeral term. It is perceived differently by people as a result of their educational

and other life experiences. Moreover, quality of care varies as a result of the state of the science among the various medical disciplines.

C. Minimum standards of care

1. This phrase is more useful when attempting to define care, as it minimizes variables in perception, and can be applied to discreet medical disciplines.

III. Statement (April, 1979)

A. Mr. Max Cleland
Administrator
Veterans Administration

1. "The purpose of a VA concept of rehabilitation is to provide a framework for the continuous development, improvement, and delivery of rehabilitation services throughout the Veterans Administration and as a guide in developing planning and policy alternatives. This concept should be applied in the context of present and future statutes and general VA direction."

"The concept of rehabilitation as a process is essential. The professional methods of the various disciplines are applied as appropriate, always as an integrated part of the total process. However, the distinctive method of rehabilitation is the use of an interdisciplinary, team approach with the individual in evaluating, planning, and implementing a program of rehabilitation. Inclusion of the family and the environment is an important part of this process."

IV. Task

A. To devise a model, using systems synthesis, coupled with data-based case managment, for spinal cord injury care.

1. The model should reflect recent VA initiatives in the sectors of (1) comprehensive rehabilitation, and (2) case management, so as to positively and constructively influence VA policy and planning decisions, in reference to items (1) and (2) above, in the implementation of these new systems as they relate to spinal cord injury, and other methods of care.

B. Methodology

1. The method of management of spinal cord injury should feature systems synthesis. With the veteran as the central, or focal,

point of the system, it should integrate comprehensive rehabilitation, case management, advanced data processing hardware and software, and management training for the professionals and technicians, and other staff, who must modify current methods of working relationships, and begin to utilize more creative, integrated and effective means of implementing a useful system.

V. Justification

A. As the VA comprehensive rehabilitation task force has concluded its work, and the VA administrator has approved the establishment of comprehensive rehabilitation and case management in the VA, and the Department of Veterans Benefits Target Computer System is operational, it is timely for the Paralyzed Veterans of America to provide substantive recommendations to the VA.

1. It is important to demonstrate to the VA, OMB and the Congress, that the systems approach to the management of spinal cord injury care can be expanded to include all disabilities, thus improving, accelerating and increasing the efficiency of the rehabilitation process. This would be of inestimable value to the veteran, the VA, and the nation's taxpayers.

2. The Veterans Administration asked for PVA's participation in the activities of the Comprehensive Rehabilitation Task Force. Our contribution was constant and forceful, resulting in strong, useful, pragmatic recommendations. PVA fully supports the work of the Task Force, and recommends its acceptance by the Congress, and complete implementation by the VA.

VI. Spinal cord injury management system

A. Concepts

1. Spinal cord injury is a devastating insult to the central nervous system, thus affecting all other systems within the human organism.

2. Spinal cord injury management challenges any health care system; and, in the instance of the VA, uses all of the current services provided by that agency to disabled veterans.

3. Therefore, the model management system could be applied to all other disabling conditions (e.g., blindness, cardio-vascular, mental disorders, amputation, et cetera).

4. The system utilizes advanced data-based management techniques, specifically computer hardware components and software programs, which, in some instances (e.g., DVB's Target System, and other VAMC/SCI unit partial systems), are already in place or planned.

5. The system assumes two important factors:

a. It is vital to automate those system functions which should be automated (e.g., medical charts, reports, records, and other statistical data). Also, to provide a review of a veteran's status in or out of the hospital, to alert the system in advance of the veteran's need for a specific service, item or medication; and, to provide the VA, the Congress, and veteran's service organizations with current, accurate, aggregate statistical data.

b. The system should be operated as a monitoring system by qualified, full-time technicians. This would result in liberating professionals from part-time administrative responsibilities. Thus, the professional would be free to provide personalized attention to the veteran in the area of expertise in which the professional has been trained. Thus, the humanity of rehabilitation would be emphasized and adequately addressed by the professional rehabilitation team.

VII. The flow chart

A. Keys

1. Following the narrative is a page of alpha-numerical keys with the services provided by DM&S and DVB identified. These correspond to the alpha-numerical symbols on the flow chart.

B. Chart description

1. Upper left corner

a. Zero (0) to 72 hours

1.) Follows onset of injury. Across top of chart (l to r), arrows indicate phases, and approximate length of treatment, for quadriplegics and paraplegics from onset of injury, through acute care and spinal stability, to hospital discharge and beyond to death.

2. At T in arrow

a. Upper half of chart indicates DM&S pathways from time of injury to discharge.

1.) The increasing number of services (from l to r), as the veteran enters each successive phase, shows how the services expand as the veteran improves, and prepares to re-enter the community. Also, it demonstrates the need for ever-growing communication between services (in both DM&S and DVB) if comprehensive rehabilitation is to progress at a beneficial pace. Positive cooperation is a function of steady progress on the part of the veteran, and continual communication between service representatives and the veteran, for the purpose of maximizing a positive and motivated attitude within the veteran.

3. At C in enclosed irregular shape (having curved, crescent-shaped sides) just after the vertical, dotted line.

    a. Horizontal lines C (with A and B in triangles immediately above and below) running l to r across entire chart.

        1.) These indicate, (A) DM&S data-processing path, (B) DVB data-processing path, and (C) recommended primary track, as an interface between DM&S and DVB, for the purpose of establishing an off-line data path at VA central office Data Processing Service, and Regional offices.

4. At DVB in arrow

    a. Indicates from l to r, and feedback loop beneath, all DVB services at various phases of treatment.

    b. Please note:

        1.) At the D in the square above the six to twelve week treatment period, the indication of an Education, Training, Placement and Follow-up Service (ETPFS).

            a.) This service does not exist in the VA, nor as a separate recommendation by the Comprehensive Rehabilitation Task Force Report. However, PVA will strongly argue for its establishment for the following reasons.

            b.) In the case of the severely disabled veteran (70% or above), to take the veteran beyond employability to actual employment is difficult. Agreements between DHHS and the Department of Labor have failed to achieve the goal of employment of the severely disabled veteran.

            c.) Federal, industrial, educational and all other employers do not hire severely disabled veterans in significant numbers, deliberately resist such employment in certain instances, and do not understand how to effect such employment in others.

Bureau of Labor Statistics, the White House Conference on Handicapped Individuals, DHHS (RSA) statistics, and VA data all support this fact.

d.) The reason these programs have failed is because of shared responsibility among agencies. What is needed is a continuum beyond rehabilitation to a special placement program within the VA, and, as education, training and follow-up are integral to this process, PVA recommends the establishment of the ETPFS service within the VA.

e.) In this way, the severely disabled veteran will be spared the unsatisfactory telephone placement process by VER's and others at the local level. Further, the veteran will no longer be forced to compete with the latest minority group priority rating.

5. At EX in arrow

   a. This indicates (from l to r) across the chart, services available, essentially to NSC veterans, through external community resources such as the State Divisions of Vocational Rehabilitation.

6. The key to the systems approach to comprehensive rehabilitation lies in the successful transfer of information to any, and all, services between DM&S and DVB, and VA Central and Regional Office operations, through the appropriate data-processing paths, and the proper utilization of these data paths by all personnel, especially those functioning within the Case Management System.

   a. The Case Management System should be administered by professionals trained in rehabilitation program management, but operated by technicians specifically trained to operate and monitor computer hardware and software programs.

   b. All services should be linked to the data paths so that communication may occur at any place, at any time, across the chart, between VACO, Regional offices and DM&S and DVB.

   c. Each veteran, entering the system for the first time, or returning via a feedback loop, should be identified by code, facilitating rapid retrieval of his records.

   d. As the veteran enters the system, and his records made available, a case manager should query the veteran about his needs, or a service organization representative do so as his intermediary. Once the service has been identified, the veteran and his records would be routed to that service. Thereafter, the veteran's progress through the system to discharge would be monitored electronically. At the end of his visit, pertinent data would be entered into his records by each service, the data forwarded to a central data-bank, and filed in off-line storage awaiting the next retrieval request.

e. This activity is indicated by the vertical linkage line, just after and parallel to the vertical dotted line of the extreme left of the chart.

   1.) This demonstrates the initial alerting of the system by DM&S Social Work Service to provide linkage with Chaplain Service, DVB and External Resources for the purpose of notifying the family of a newly disabled veteran.

f. All similar linkages follow across the chart at appropriate times and places as the veteran progresses through the system to discharge and beyond.

g. Another advantage of the SCI Management Model is that it identifies linear replications of similar activities (e.g., counseling services, psychology services, educational services), and suggests the potential clustering of such services to facilitate the proper development of a rehabilitation team and the administration of health care and benefits.

VIII. PVA believes this system works. It requires careful planning, extensive training, and initial outlays of dollars. However, over the long run, it guarantees better health care for the veteran and his family, a more efficient and personalized VA, and is of great benefit to the taxpayers.

DM&S SERVICE COMPONENTS

Surgical Service (All Medical)

Nursing Service
  Daily Patient Care
  Clinical Needs
  Bathing
  Transfer
  Feeding
  Shaving
  Tracheostomy Care
  Medication Distribution
  Skin Care
  Bladder/Bowel Care
  Catheter Care
  Decubiti Care
  Clothing/Dressing
  Family Liaison

Dietetic Service
  Nutrition Counseling
  Special Diets
  Bowel/Bladder Consultation

Chaplain Service
  Spiritual Consultation

Urology Service (Necessary)
  Diagnostic/Treatment
  Neurogenic Bladder
  Plastic/Decubitus Consultation
  Uro-Dynamics
  [illegible] Related Dysfunction
  G/U Surgery
  Implant Screening/Surgery
  Renal Transplantation

Medical Administration Service
  Appointment Scheduling
  Records Maintenance
  Patient Finance
  Travel Pay
  HISA
    (Home Improvement/
    Structural Alterations)
  Compensation/Pension Exams
  CHAMP

Psychology Service
  Patient Counseling
  Patient Self-Management
  Patient-Care Planning
  Vocational Counseling
  Sex Counseling
  Psychometrics ([illegible] for [illegible])
  Substance Abuse Counseling
  Pain Clinic
  Family Counseling

Social Work Service
  In-Patient Counseling
  Family Counseling
  Home-Based Hospital Care
    Program Coordination
  Out-Patient Counseling
    Vocational
    Community Resources
    Housing
  Financial Counseling Liaison
    [illegible]

Academic Service
  Training Programs for Physicians,
    Nurses, Technicians
  Consultants from Affiliated
    Universities

Pharmacy Service
  Prescriptions
  [illegible]
  All Other Supplies

11. Rehabilitation Medicine Service
  Physical Therapy
  Occupational Therapy
  Corrective Therapy
    (Driver Training)
  Educational Therapy
    G.E.D. Testing (HS)
    Correspondence Course
    Administration of Intra-
      mural Educational Activities
    Individual Vocational Education,
      Higher Education, or OJT
  Manual Arts Therapy
    Compensated Work Program
    Limited Vocational Education

12. Prosthetic and Sensory Aid Service
  Special Equipment
    Prosthetics
    Orthotics
    Sensory Aids
  Adaptive Equipment
    "Equipment That Promotes
    Health and Safety of Veteran
    as Driver/Passenger"
    Automatic Transmission
    Power Steering
    Power Brakes
    Power Windows
    Power Seats
    Manual Controls
    Back-Window De-Fogger
    Air Conditioning
  Therapeutic/Rehabilitation Devices
    Devices to assist Veteran in and
      out of vehicles
    Modifications to Vehicles
      Ramp/Lift Installation
  Other

13. Recreation Service
  Veterans' Administration Voluntary
    Service (VAVS)
  Leisure-Time Activities

Billiards	Shopping
Cards	Games
Bowling	Movies
Basketball	Crafts
Track/Field	Reading
Swimming	Trips
Archery	Outings

  Programs in Conjunction With:
    Physical Therapy
    Occupational Therapy
    Corrective Therapy
    Psychology Service

- -

14. Inhalation Therapy
    Tracheostomy
    Complications in Quadriplegia

15. Speech Therapy
    Multiple Injuries
    Including SCI

16. Dental Service
    In Conjunction with #13, and to
      Prevent [illegible] and/or Dental
      Infection Due to [illegible]

17. Renal Dialysis
    Hemodialysis
    Peritoneal Dialysis

18. Spinal Cord Injury Service
    Long Term Unit
    Short Term Unit

DVB SERVICE COMPONENTS

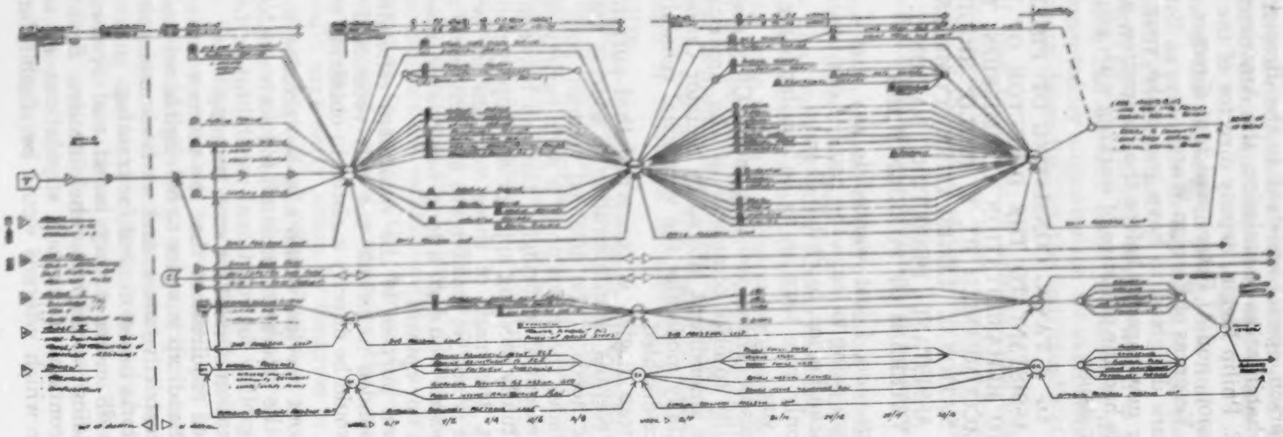
a. Veterans Service Division
  1. Veterans Benefits Counselors
     a. Initial Contact
     b. Eligibility Determination
        1.) Financial Benefits
        2.) Educational Benefits
     c. Monitor Case File for Previously
        Discharged Veterans Re-entering
        VAH for Diagnosis, Treatment,
        Services or Supplies
  2. File Tentative Claims
     a. Adjudication Process for:
        1.) Compensation Rating
        2.) Automobile Grant Eligibility
        3.) Special Housing Eligibility
        4.) Vocational Rehabilitation Ent
  3. Monitor Financial Assistance for Spec.
        Adaptive Housing

b. Vocational Rehabilitation Service
  1. Regional Office Function
  2. Vocational Rehabilitation Counselor
     a. Testing for:
        1.) Aptitude
        2.) Educational Evaluation
        3.) Intelligence Quotient
     b. Guidance Service
        1.) Recommend Training Program
            for Veteran
        2.) Earliest Time When Medically
            Feasible; approximately five
            months Post Injury
     c. Functions as Case Manager on
        DVB side
     d. If SCI Veteran is Service Connected
        (SC), This Person Will Serve as
        Manager of The Veterans [illegible]
        Plan

c. Loan Guaranty Service
  1. Receives application for "GI"
     guaranteed Home
     a. For SC Veteran; also, for NSC,
        if he has the money for home purch.
  2. Special Housing Grant
     a. Feasibility Study of SC Veteran,
        Reported to DVB
  3. Construction Control
     a. Site Inspection
     b. Plan Inspection
     c. Construction Inspections With
        Contractor (First Home Only)

- -

d. Placement/Follow-Up Service
  1. For Eligible Veterans With Work
     and/or Educational Record
     a. Placement at Earliest Date
        Deemed Medically Feasible
  2. For Veteran With no Work Experience,
     and Limited Education, Remedial Training
     and Education as Soon as Medically
     Feasible
     (Liaison With DM&S Items 7, 8, & 11)
  3. Computer Teaching Machines
     a. Links
        1.) Satellite, Telephone, Coaxial
            Cable, Microwave Antenna,
            Closed-Circuit, and Laser



Mr. STEINBERG. The next panel is composed of the following: Philip Wilkerson, special assistant to the director of veterans' affairs and rehabilitation commission, the American Legion, accompanied by E. Philip Riggin, deputy director of the national legislative commission, and Al Poteet, assistant director, national legislative service, Veterans of Foreign Wars.

Phil, we are delighted to have you make your maiden appearance in your new capacity before the committee, although Senator Cranston has had the pleasure of working with you in other capacities on other issues.

TESTIMONY OF A PANEL CONSISTING OF: PHILIP WILKERSON, SPECIAL ASSISTANT TO THE DIRECTOR OF VETERANS' AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION, ACCOMPANIED BY E. PHILIP RIGGIN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION; AND AL POTEET, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

Mr. RIGGIN. Jon, I just wanted to say that I appreciate that comment. I am going to leave the basis of our testimony, on behalf of the American Legion, to Phil Wilkerson.

And my only role here is to be available for, perhaps some questions by you.

Mr. WILKERSON. Thank you very much. Of course, we appreciate the opportunity to offer comments of The American Legion on S. 1188 and the amendment offered by Senator Cranston to improve and substantially modernize the vocational rehabilitation program for the service-disabled.

The American Legion is concerned that current law does not permit the Veterans' Administration to address many of the social and economic needs of the disabled veteran, both young and old, since it precludes the provision of a wide variety of services which we consider essential in bridging the gap between the retraining phase and actually securing appropriate employment.

In addition, the needs of those veterans for whom vocational rehabilitation is not yet feasible are also not being adequately met.

These proposals would go a long way toward meeting these various needs, in our opinion.

The aim and purpose of the vocational rehabilitation program would be expanded to include not only vocational retraining, but the veteran would be directly assisted in obtaining suitable employment.

Postplacement services would also be included in the program's goal to assist the veteran in maintaining such employment.

Current eligibility for vocational rehabilitation training is based on a determination of need for such training.

The proposed requirement that the veteran must have a serious employment handicap in order to be eligible we feel should not be used in any restrictive sense, and we favor maintaining the intent of current criteria based on need for training.

While S. 1188 offers a very broad and open-ended approach toward providing vocational rehabilitation, Senator Cranston's amendment contains numerous stipulations as to the circumstances under which veterans would be eligible for the program.

We would not be opposed to such requirements so long as no veteran who suffers a compensible service-connected disability resulting in an employment handicap is denied access to this program.

We are in favor of the proposal to extend the time period from 9 to 10 years, as well as provision for extension of this period depending on the individual's circumstances.

As for the length of the training period, which is presently 48 months, we believe the current basic provision is adequate, but should be supplemented by authorization for extensions of up to 12 or 18 months, again depending on the individual's circumstances and goal.

We consider it most important to provide those under this program a realistic cost-of-living increase in the subsistence rates, particularly in view of the fact that these have not been increased since October 1, 1977.

We support Senator Cranston's proposal for a 15-percent increase in these rates.

We also support the proposal to escrow excess subsistence allowance payments for those veterans who are incarcerated, and we strongly believe that making such funds available upon release would further assist in their rehabilitation.

Considering the wide range of social services and assistance programs currently provided by Federal, State, and local agencies, as well as public and nonprofit organizations, we feel that it is in the best interest of the veteran for the Veterans' Administration to utilize this wealth of resources in assisting them toward their vocational objective.

Regarding Senator Cranston's proposals to establish special rehabilitation research projects, including a pilot program of independent living, we consider it important that the Veterans' Administration continue to develop and explore alternative and innovative approaches to the various social and economic problems confronting the handicapped veteran.

This process should include the most efficient utilization of resources both in and outside of the Veterans' Administration.

We would also support the establishment of an advisory commission on rehabilitation to provide the Administrator and Congress additional expertise and counsel concerning the operation of the rehabilitation program.

Lastly, we would urge early action by Congress to effect needed improvements in the vocational rehabilitation program, and hope that these would be available for those handicapped veterans prior to October 1, 1980.

As indicated, the study that was conducted by the General Accounting Office is now available, and we would ask the committee's indulgence that should we have any specific comments on the findings and recommendations of that study, that these could be submitted in writing and become part of the record of this hearing.

Mr. **Steinberg**. We would be glad to receive those comments.

Mr. **Riggin**. That ends our summary, and we would certainly be available for questions.

Mr. **Steinberg**. Thank you.

Mr. **Poteet**. Mr. Steinberg, it is a privilege for me to present the views of the VFW regarding proposed legislation to improve and modernize the vocational rehabilitation program providing service to disabled veterans under chapter 31 and title 38 U.S.C.

In the interest of saving time, I will summarize my testimony with the understanding that the entire text of my statement be included for the record.

Mr. **Steinberg**. It will be.

Mr. **Poteet**. Thank you. The VFW commends Senator Cranston for holding this hearing, demonstrating his special concern and that of the Senate Veterans' Affairs Committee for meeting the vocational needs of this country's service-connected disabled as a result of service in the Armed Forces.

For years, the VFW has been concerned with the adequacy of the current vocational rehabilitation program. While the Veterans of Foreign Wars recognizes and salutes the many accomplishments of the present VA vocational rehabilitation program, we believe it is essential that continuing improvement and modernization be sought.

Therefore, after careful consideration of the Cranston printed amendment, No. 1661, I am pleased to report that the VFW wholeheartedly supports the thrust of the amendment and applauds the innovative improvements contained therein.

Although the amendment does not completely fulfill current VFW resolution No. 640 to the letter regarding the deletion of a specific termination date under the vocational rehabilitation program, we support the spirit of the provision contained in the Cranston amendment in that the Administrator of the VA will be authorized to extend this period of eligibility to veterans who need additional training to achieve their vocational goals.

In conclusion, the VFW fully supports the timely passage of the Cranston amendment as enunciated in printed amendment No. 1661.

Inasmuch as I had a 1:30 tie-down meeting in conjunction with our VFW Washington Conference and the congressional dinner that will take place next Tuesday, I will have to supply the answers to any questions you may have for the record, but I must leave at this time.

Mr. **Steinberg**. Fine. We will supply a couple of questions for the record, and we do appreciate your favorable comments and suggestions in your prepared statement.

Phil, if we could ask you a couple of questions and then, as I say, we will submit some to the VFW.

On page 3 of your prepared statement, you state that entitlement to services and assistance should require qualifying military service and would be contingent upon the existence of a compensable service-connected disability causing an employment handicap.

It is unclear to us from this statement whether you favor or oppose providing chapter 31 eligibility, as Senator Cranston's amendment would, to all service-connected disabled veterans without the need, first, for a determination that the veteran has an employment handicap.

Could you clarify that for us?

Mr. **Wilkerson**. We would be in favor of maintaining the present criteria which does require a determination of employment handicap and the need for retraining or further training and assistance to overcome such handicap.

Mr. **Steinberg**. You also recommend in your testimony that the cost-of-living increase in the subsistence allowance become effective prior to October 1, 1980.

In legislation that this committee can report at this point in the budget process for fiscal year 1981, an effective date prior to October 1, 1980, would be a violation of the Budget Act.

However, as you know, the Senate has already voted for a 15-percent increase in the GI bill rates that would be effective on September 1, which is now a part of H.R. 5288, as it passed the Senate.

But we will be unable to stick with the September 1 date in this particular bill. However, we would imagine that those issues will be able to be resolved in conference when we get to that point with the House.

Here are two questions that we asked the previous panel, as well.

With regard to employment assistance, do you believe that we ought to have a greater direct VA effort, in terms of placement and employment for chapter 31 trainees, or that what we should be doing is strengthening working relationships between the VA and the Department of Labor and other available job placement services?

Mr. **Wilkerson**. I think both of these approaches should be undertaken. The VA is already, substantially, involved in outreach programs, counseling, things of this nature.

To the extent that direct placement through those programs could be accommodated, I think that should not be excluded, as well as strengthening those working relationships with other Federal, State, and local agencies and organizations to effect placement in those areas.

Mr. **Steinberg**. So, you think the bill makes an appropriate balance in that regard?

Mr. **Wilkerson**. I would say so, yes.

Mr. **Steinberg**. In the amendment, new section 1508(f) provides that only those chapter 31 participants who have a serious employment handicap would be allowed to utilize chapter 34 type of educational assistance allowance.

Would you favor this option being available to all chapter 31 participants who have chapter 34 eligibility and entitlement, regardless of whether they have a serious employment handicap or not?

Mr. **Wilkerson**. I believe our position is in favor of only those with a serious employment handicap being able to use a chapter 34 type of benefit.

Mr. **Steinberg**. I believe that that concludes the questions that Senator Cranston had for you. Again, our apologies for keeping you so long. We appreciate your perseverance in staying with us for this length of time, and we also appreciate the suggestions that you gave in your testimony.

Phil, we appreciate your being here, as well.

[The prepared statements of Mr. Wilkerson and Mr. Poteet follow:]

PREPARED
STATEMENT OF PHILIP R. WILKERSON
SPECIAL ASSISTANT TO THE DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE COMMITTEE ON VETERANS AFFAIRS
UNITED STATES SENATE
FEBRUARY 28, 1980

Mr. Chairman and Members of the Committee:

We appreciate this opportunity to present the views of The American Legion on S. 1188 and the amendment to this bill offered by Senator Cranston.

This proposed legislation seeks to substantially improve and essentially modernize the present vocational rehabilitation program for service-disabled veterans.

As the program has evolved over the past three decades, the VA's rehabilitative services and assistance have been focused on a primary goal of restoration of employability. Upon completion of the course of training or education, the VA's responsibility in terms of actual employment of the veteran has effectively terminated. The veteran has been left to make his or her own economic readjustment. While employment for these veterans would seem to be the logical test of the success of vocational rehabilitation, such has not necessarily been the case over the years. It is a fact, however, that many thousands of veterans have materially benefited from the vocational rehabilitation training. Despite the success of many, The American Legion has become increasingly concerned that current law does not permit the VA to address many of the social and economic needs of the disabled veteran, both young and old, since it precludes the provision of a wide variety of services which we consider essential in bridging the gap between retraining and actually securing appropriate employment.

In addition, for those veterans for whom vocational rehabilitation is not yet feasible, there are no specific provisions to assist them in attaining a meaningful or substantial measure of personal independence outside a hospital setting. We consider it important and appropriate that the needs of such veterans be addressed within any legislation to improve the vocational rehabilitation program.

Congress, in recognition of a need for a thorough review of the overall effectiveness and direction of the vocational rehabilitation program, authorized a study to be conducted under section 307 of PL 95-202. The findings of this study clearly highlighted many of the inadequacies and shortcomings in the program as it presently exists. The recommendations of that study were adopted by the President in his message to Congress on October 19, 1978 on the status of the Vietnam Era veteran. We believe it is now timely and appropriate that Congress undertake consideration of specific legislation for accomplishing a major revision of the vocational rehabilitation program for the service-disabled.

We would like to offer comments on some of the major aspects of S. 1188 as well as the amendment of Senator Cranston.

The purpose of both legislative proposals represents a significant change in the goal to be achieved through a program of vocational rehabilitation. The service-disabled veteran would not only be assisted and retrained to become employable, but would also be assisted in obtaining and maintaining suitable employment consistent with his or her abilities, aptitudes, and interests. The scope and structuring of services to be authorized is quite comprehensive. The need for a full range of services is an acknowledgment of the findings of the recent Chapter 31 study, if the veteran is to achieve vocational rehabilitation in its fullest sense. These proposals would also permit such services to be afforded those severely disabled veterans for whom a goal of employment is not yet feasible. It would permit these veterans to attain a maximum degree of personal independence in society which in itself is a worthy and desirable goal.

We believe basic entitlement to these services and assistance should continue to require necessary qualifying military service and would be contingent upon the existence of a compensable service-connected disability causing an employment handicap. The existence of need for additional training, education and related services would still be an essential requirement. This does not represent an alteration of the current basic eligibility criteria.

In considering the period of eligibility for utilization of this program, we note the proposal in S. 1188 to place no specific time restriction on the veteran. Rather, eligibility would be based upon a demonstrated need for these services.

This represents a broad and open ended approach to providing vocational rehabilitation training. Senator Cranston's amendment contains numerous stipulations as to the circumstances under which veterans would be eligible for this program of training.

In our opinion, the basic consideration in this matter, is that no veteran suffering a compensable service-connected disability resulting in an economic handicap should be denied access to this type of program. To do so, we feel, would substantially disadvantage those veterans who are clearly in need of rehabilitation. In this regard, we support the proposed extension of the period of basic eligibility from the present 9 years to 10 years, since this is in keeping with the time period applicable to training under Chapter 34. Additional provisions to allow extensions of this time period are appropriate since they take into consideration the changes in an individual's condition and situation which can occur with the passage of time.

With regard to the duration of such services and assistance, the proposal of S. 1188 would be to extend the vocational rehabilitation program up to a maximum of 64 months. The amendment of Senator Cranston would retain the present 48 months and allow an extension, if appropriate, of up to an additional 18 months.

We believe consideration should be given to the fact that the basic program of training is initially set up with an expected completion time. A variety of circumstances, however, can change during the interval and there should be provisions for an appropriate extension in order that the veteran can reach the intended goal. It is our feeling that the time limitation should not be unnecessarily restrictive. The length of training and assistance should be such that it insures the veteran an adequate training opportunity to achieve an entry level into an occupation commensurate with the individual's personal potential. An extension of up to 12 or 18 months or longer beyond the presently authorized 48 months should be available for authorization by the Administrator, if appropriate, depending upon the individual's circumstances.

For those engaged in a program of vocational rehabilitation, we note that no increase in the subsistence rates would be authorized under S. 1188. Senator Cranston's amendment would authorize a 15% increase. The American Legion believes that action should be undertaken to increase the present subsistence allowances. The Spring 1979 meeting of our National Executive Committee adopted Resolution No. 34 calling for an increase of 15% in the subsistence allowance. We consider it necessary that an appropriate and realistic cost of living adjustment be included in any legislation regarding this program in view of the fact that no increase has been afforded those seeking rehabilitation under this program since October 19, 1977. The cost of living at the end of the intervening period has increased significantly. The rate of inflation for 1979 exceeded 13% and for 1980, it is already projected to continue this same pattern.

In our opinion without action to increase these subsistence allowances, the rehabilitation of those who must already cope with a serious economic handicap will be even further impeded.

For those veterans who are engaged in a vocational rehabilitation program while incarcerated, we are in support of the proposal to pay any subsistence allowance in excess of the cost of tuition and books into an escrow fund which would be payable to the veteran upon his release from incarceration. Senator Cranston, in his amendment, would require that the veteran request payment of the subsistence allowance for dependents. If the dependent would not join in this request, then no additional dependency allowance would be payable to the veteran. Escrowing of these excess assistance payments is in accord with the purpose of rehabilitation for which this type of training is being provided.

For those training while institutionalized in a VA facility or at VA expense, we would not be opposed to the proposal to escrow the subsistence allowance payable to such veterans with the provision that sufficient funds be available to the veteran to meet continuing financial obligations during this period.

We would also support action to substantially improve the revolving loan provisions of the vocational rehabilitation program.

In assuming the additional responsibilities and goals under this new and revised program, the VA would be authorized to utilize resources both within and outside of the Veterans Administration which are not permitted under current law. Considering the wide range of social services and assistance programs currently in operation, we believe such authorization would clearly be beneficial to the veteran particularly from the standpoint of attaining and maintaining his vocational rehabilitation objective.

Employment assistance, as proposed, would include direct placement of the veteran in employment through the utilization of state and federal employment services as well as public and nonprofit organizations having such a placement service. Veterans would also be assisted in obtaining loans for self-employment and could also be provided with supplies and equipment for such businesses.

With regard to Senator Cranston's proposal that special rehabilitation research projects be established and conducted, we firmly believe that various alternatives should be explored and considered in developing the most efficient utilization of resources in providing vocational rehabilitation and which will provide the VA with a source of new ideas and technology in the field of vocational rehabilitation. As in other areas of research, the VA should continue to seek new and innovative approaches to the various problems confronting the handicapped veteran.

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We concur with the proposal to provide the Administrator an Advisory Committee on Rehabilitation. We believe this committee, under the proposed guidelines, would provide a resource of expertise not presently available to the Administrator of Veterans Affairs.

Our final comment is directed to the effective date of the proposed legislation. Under Senator Cranston's amendment the effective date would be October 1, 1980. S. 1188 proposed October 1, 1979 or the first day of the second calendar month following the date of enactment. The American Legion believes that early action by Congress to improve the vocational rehabilitation program is clearly warranted and we would hope that an effective date substantially earlier than October 1, 1980 be authorized.

That concludes our formal remarks and we would be glad to answer any questions which you might have.

VFW
VETERANS OF FOREIGN WARS OF THE UNITED STATES
NATIONAL LEGISLATIVE SERVICE
Office of Director

PREPARED
STATEMENT OF

AL POTEET, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

WITH RESPECT TO THE VETERANS ADMINISTRATION
VOCATIONAL REHABILITATION PROGRAM TO
INCLUDE THE STUDY THEREOF MANDATED BY PUBLIC LAW 95-202; AND LEGISLATION
DESIGNATED AS S.1188, TO IMPROVE AND MODERNIZE THE VOCATIONAL REHABILITATION
PROGRAM PROVIDED SERVICE-DISABLED VETERANS UNDER CHAPTER 31 OF TITLE 38,
UNITED STATES CODE

WASHINGTON, D.C. FEBRUARY 28, 1980

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the privilege of appearing before this distinguished Committee to present the views of the Veterans of Foreign Wars of the United States with respect to S.1188, the Administration proposed "Disabled Veterans Rehabilitation Act of 1979"; the proposed "Disabled Veterans Rehabilitation Act of 1980", as set forth in printed Amendment 1661; and the study of the Vocational Rehabilitation Program by the Administrator of Veterans Affairs mandated by Section 307, Public Law 95-202.

My name is Al Poteet, and it is my privilege to serve the 1.85 million men and women of the Veterans of Foreign Wars of the United States as their Assistant Director, National Legislative Service.

The V.F.W. commends the Chairman of this Committee, the Honorable Alan Cranston, for holding this hearing demonstrating his special concern and that of the Senate

Veterans' Affairs Committee for meeting the vocational needs of this country's service-connected disabled as a result of service in the Armed Forces.

As you know, Mr. Chairman, the first Vocational Rehabilitation Program was established for veterans of World War I to help them acquire the necessary skills to compete in the job market. The present program as enunciated in Chapter 31, title 38, United States Code, grew out of Public Law 16 of the 78th Congress, approved March 24, 1943, and follows closely that model established for World War II veterans. The purpose of vocational rehabilitation as provided in Chapter 31, title 38, U.S.C., is to restore employability to the service-connected disabled veterans to the extent consistent with the degree of disability incurred. While the V.F.W. recognizes and salutes the many accomplishments of the present Veterans Administration Vocational Rehabilitation Program, we believe it is essential that continuing improvement be sought.

Based upon the shortcomings brought to the attention of our National Veterans Service by our network of dedicated service officers with respect to the Veterans Administration Vocational Rehabilitation Program, and similar recommendations contained in two VA studies, we believe that a comprehensive revision of the Chapter 31 program is necessary. The above mentioned studies, entitled "A Study of the Provisions for Veterans Vocational Rehabilitation" and "A Summary Report of the Vocational Rehabilitation (Chapter 31) Program Evaluation", prepared by the Veteran's Administration pursuant to Section 307 of Public Law 95-202 and Section 219 of title 38, U.S.C., respectively, clearly indicate that the present VA program is in need of a complete overhaul in order to serve the rehabilitation needs of this country's service-connected disabled veterans. The VA, in its study and program evaluation, indicated that several areas of the current Chapter 31 program are in need of review and attention. Some of the basic recommendations reached were: (1) provide more comprehensive services; (2) include in the purpose of the Vocational Rehabilitation Program, the attainment of suitable employment as well as employability; (3) improve outreach efforts to seriously disabled veterans; (4) authorize eligibility under Chapter 31 for disabled veterans on an open-ended basis whenever needed on account of handicap from a service-connected disability; (5) place greater emphasis on meeting the counseling needs of veterans throughout the rehabilitation process, utilizing an expanded VA counseling and rehabilitation staff; (6) increase the availability and use of on-job training under Chapter 31.

Mr. Chairman, the Veterans of Foreign Wars of the United States most emphatically agrees with the recommendations contained in these VA studies regarding the Vocational Rehabilitation Program.

The Administration's proposed legislation designated as S.1188, would "improve and modernize the Vocational Rehabilitation Program, provided service-disabled veterans under Chapter 31 of title 38, U.S.C., and for other purposes." S.1188 as introduced, H.R. 5288 as passed by the House of Representatives, and the Cranston Amendment to S.1188, although in some respects substantially different, offer major improvements in the VA's Rehabilitation Program.

Inasmuch as the Cranston Amendment to S.1188 is a comprehensive overhaul of Chapter 31, title 38, U.S.C., the remainder of my testimony will be devoted to issues raised in the amendment and the VFW position thereon.

Mr. Chairman, the stated purpose of your amendment to S.1188 is "to amend title 38, U.S.C., to improve, expand, and modernize the program of Vocational Rehabilitation for service-connected disabled veterans under Chapter 31 of such title; and to provide for a pilot program of independent living services for certain severely disabled veterans under such chapter; and for other purposes", to accomplish long-needed improvements in the program.

The V.F.W. wholeheartedly supports the thrust of the Cranston Amendment to S.1188 and applauds the innovative improvements contained therein.

Under current law the purpose of vocational rehabilitation is one of restoring employability, to the extent consistent with the degree of disablement. In our opinion, one of the major improvements contained in this legislation is the enlargement of the purpose of the Vocational Rehabilitation under Chapter 31 beyond the employability of the veterans to the attainment of actual employment in a suitable job.

In addition, the emphasis placed on Post-Placement Services in the Cranston Amendment will enable the veteran to make a more complete adjustment in his or her vocational rehabilitation back into the job market, culminating with meaningful employment and a satisfied employee. The lack of a comprehensive Post-Placement Service in the current Chapter 31 Program has been of great concern to the V.F.W. and after passage of this legislation, we will carefully examine the regulations promulgated by the VA regarding this matter.

Mr. Chairman, the complaint most often registered with our VFW service officers regarding Chapter 31, is the 9 year delimiting date for vocational rehabilitation following the veteran's discharge or release from active service. As you are no doubt aware, many disabilities worsen with age, often forcing a veteran to leave the ranks of the employed due to his or her inability to satisfactorily perform on the job. The V.F.W. supports authorizing eligibility for vocational rehabilitation for service-connected disabled veterans on an open-ended basis whenever needed in the future to ensure employability. We believe this nation has a moral obligation to those veterans who are disabled as a result of military service. To set a time limit on eligibility for vocational rehabilitation is not appropriate.

In view of the foregoing, the voting delegates at the 80th National Convention of the Veterans of Foreign Wars of the United States held in New Orleans, LA., last August, passed resolution No. 640 entitled "Extend Entitlement to Vocational Rehabilitation", a copy of which is appended to my testimony. In the "Be It Resolved" clause of V.F.W. resolution No. 640 we seek "...to delete all references to a specific termination date entitlement to vocational rehabilitation for all compensably disabled veterans, and to provide that entitlement to vocational rehabilitation be based on need as determined by appropriate Veterans Administration officials." In addition, one of our V.F.W. Legislative Priority Goals for 1980 is to seek passage of legislation to delete all references to a special termination date for compensably disabled veterans entitled to vocational rehabilitation. Although Section 1503 of the Cranston Amendment to S.1188 does not fulfill V.F.W.

Res. No. 640 to the letter, we support the spirit of this provision in that the Administrator of the VA will be authorized to extend the period of eligibility to veterans who need additional vocational rehabilitation beyond their delimiting date to achieve their vocational goals.

Mr. Chairman, another complaint voiced by our membership has been the general nonavailability of vocational rehabilitation in foreign countries. However, Section 1515 of your amendment entitled "Vocational Rehabilitation Outside the United States", would rectify this inequity by authorizing, pursuant to regulations prescribed by the Administrator, a program of vocational rehabilitation under Chapter 31 outside the United States if such training is necessary for veterans to obtain or retain suitable employment.

Another area of continuing concern to the V.F.W. is the increasing number of disabled veterans electing Chapter 34 benefits as opposed to Vocational Rehabilitation under Chapter 31, title 38, U.S.C. According to the VA, this phenomenom occurs because Chapter 31 eligible veterans enrolled in State-supported schools with low tuition and fees elect to train under the Chapter 34 program where the subsistence allowance is substantially higher than that under Chapter 31. The effect of electing benefits under Chapter 34 by a service-connected disabled veteran is to terminate counseling and other benefits which are beneficial in a rehabilitation program. Section 1508 (f) of the Cranston Amendment would correct this situation by allowing less seriously disabled veterans to receive Chapter 34 benefits in lieu of Chapter 31 allowances and yet authorize counseling and appropriate employment services under Chapter 31.

In addition, the V.F.W. fully supports Section 1520 of the Cranston Amendment, which authorizes a pilot program of independent living services and assistance to help the severely disabled veterans achieve maximum independence. This type of pilot program is long overdue and necessary if the severely disabled veteran is to achieve maximum independence in the functions of every day living and improve his or her potential for pursuing vocational rehabilitation.

Mr. Chairman, the V.F.W. is pleased to note that funding to enhance the vocational rehabilitation program is to be increased from an inadequate $3.2 million this year to $7.9

million in 1981. However, informal sources have indicated to us that the Office of Management and Budget has only authorized 55 of the 175 personnel requested by the VA for vocational rehabilitation. This issue of staffing was addressed in the October 5, 1978, study prepared by the VA pursuant to Section 307 of Public Law 95-202. According to the VA "The absence of specific authority and funding for ongoing staff development in the VA Vocational Rehabilitation Program is a serious obstacle to maintaining optimum level of service in the program". We therefore question the success of an expanded program in the light of OMB's callous revision of the 175 personnel requested by the VA.

In conclusion, the Veterans of Foreign Wars of the United States fully supports the timely passage of the Cranston Amendment as enunciated in Printed Amendment No. 1661.

Thank you.

Resolution No. 640

EXTEND ENTITLEMENT TO VOCATIONAL REHABILITATION

WHEREAS, under authority of section 1502, Title 38, United States Code, the Veterans Administration provides a program of vocational rehabilitation for veterans with compensable service-connected disabilities who need such vocational rehabilitation; and,

WHEREAS, except for seriously disabled veterans, section 1503, Title 38, U.S.C. provides that entitlement to such vocational rehabilitation shall terminate after nine (9) years following the veteran's discharge or release from military service; and,

WHEREAS, even for less seriously disabled veterans, the adverse effects of service-connected disabilities on the veteran's ability to obtain and/or maintain gainful employment often continue to exist, reoccur or become more serious after the end of the nine (9) year eligibility period; now, therefore,

BE IT RESOLVED, by the 80th National Convention of the Veterans of Foreign Wars of the United States, that we seek legislation to amend section 1503, Title 38, United States Code, to delete all references to a specific termination date entitlement to vocational rehabilitation for all compensably disabled veterans, and to provide that entitlement to vocational rehabilitation be based on need as determined by appropriate Veterans Administration officials.

Adopted by the 80th National Convention of the Veterans of Foreign Wars of the United States held in New Orleans, Louisiana, August 17 - 24, 1979.

Resolution No. 640

Mr. STEINBERG. In terms of expressing appreciation for perseverance and endurance, our final panel has to receive all of our kudos, and I would ask them to come forward at this time, please.

The panel consists of: Phillip A. Criswell, Ph. D., representing the Association for the Advancement of Psychology and American Psychological Association; Raymond Ehrle, Ph. D. past president, American Rehabilitation Counseling Association and professor of management science, George Washington University; and Joseph Moriarty, Ph. D., director, Rehabilitation Research and Training Center, and professor of behavorial medicine and psychiatry, West Virginia University.

TESTIMONY OF A PANEL CONSISTING OF: PHILLIP A. CRISWELL, PH. D., ASSOCIATION FOR THE ADAVANCEMENT OF PSYCHOLOGY AND THE AMERICAN PSYCHOLOGICAL ASSOCIATION: RAYMOND A. EHRLE, PH. D., PAST PRESIDENT, AMERICAN REHABILITATION COUNSELING ASSOCIATION, PROFESSOR OF MANAGEMENT SCIENCE, GEORGE WASHINGTON UNIVERSITY: AND JOSEPH B. MORIARTY, PH. D., DIRECTOR, WEST VIRGINIA REHABILITATION RESEARCH AND TRAINING CENTER, PROFESSOR OF BEHAVIORAL MEDICINE AND PSYCHIATRY, WEST VIRGINIA UNIVERSITY

Dr. CRISWELL. Mr. Steinberg, I am happy to be here on behalf of the American Psychological Association and the Association for the Advancement of Psychology.

Before I begin the substantive part of my testimony, however, I would like to give you some background regarding my experience in rehabilitation.

I have been employed at the VA hospital in Long Beach since 1971, and have served primarily in the capacity of a staff psychologist.

The first 3 years of my employment there, I was involved in the wards dealing with spinal cord injuries and the rehabilitation of these individuals.

In 1974, I was privileged to chair a steering committee charged with the responsibility of implementing the first program designed for the alcohol and drug abuse rehabilitation of spinal-cord injured veterans.

Once this program had been implemented, I served as the psychologist of the program and the assistant program coordinator, as well as having responsibility for evaluation of the effectiveness of this program.

Approximately 3 years ago, I transferred to an outpatient alcohol treatment program where I currently work with ambulatory veterans and their families toward rehabilitation of alcoholic problems.

Now, regarding my testimony, I would like to say on behalf of APA and AAP that we fully agree with the intent of your proposed amendment to improve and expand services to obtain the fullest possible rehabilitation of disabled American veterans.

Moreover, we applaud your continuing efforts and attention to the unique needs of the Vietnam-era veterans.

We do, however, have some different points of view in assessing the needs of disabled veterans, and we have some suggestions as to how we might best accomplish our common goals.

To begin with, successful rehabilitation involves both physical and mental rehabilitation. In this regard, the Department of Medicine and Surgery has developed a comprehensive, multidisciplinary treatment approach for a variety of inpatient rehabilitation programs.

Since World War II, the VA has had an admirable history of training and employing highly qualified mental health personnel which now include some 1,400 doctoral level psychologists in the Department of Medicine and Surgery.

In contrast, the Department of Veterans Benefits, which is responsible for vocational rehabilitation under chapter 31, is staffed with approximately 275 counselor psychologists with training roughly equivalent to that of a master's degree in psychology.

These people have an average caseload of 428 chapter 31 recipients annually who are seeking vocational rehabilitation services.

And while the evaluative and psychological services required for vocational rehabilitation are as complex and comprehensive as those provided in medical, physical, and psychiatric inpatient rehabilitation, the DVB psychology personnel are, in our opinion, inadequately trained and staffed to accomplish their mission.

Hence, this inadequate quality of care is reflected in the relatively low success rates in vocational rehabilitation.

As a side comment, this could be exemplified by recent surveys regarding job placement of spinal-cord injured veterans, which showed that roughly 50 percent or less are successful in obtaining and retaining employment.

Now, let me just give a comparison of what DVB is confronted with as compared to what D.M. & S. rehabilitation entails.

When a person is an inpatient in a rehabilitation program, he is in a protected environment which affords him extensive attention from staff, a general sense of improvement as his physical condition is stabilizing, and an environment that shields him from many of the hard realities of what his disability will be like once he leaves the hospital.

Generally, once a person attains a degree of physical plateauing, he levels out and no longer continues to improve physically, and he is soon faced with the fact of discharge from the hospital.

Then, he slowly becomes aware of the implications of his physical limitations in his day-to-day functioning. Moreover, he experiences a profound sense of loss centering on a damaged self-concept and body image.

His social and interpersonal experiences are fraught with anxiety and frustration as he encounters prejudice and difficulty coping with being what I call "marginally dependent."

Further, he is confronted with the challenge of identifying and obtaining training for a suitable job and then obtaining employment.

For many veterans, full citizenship—psychologically and socially—can only be achieved with employment.

Given the foregoing circumstances and demands, it is no wonder that the DVB vocational rehabilitation program has had a less than laudable record.

The present staffing of master's-level psychology personnel in the DVB creates a situation in which the standard of training and education is below that of other Federal, State and private rehabilitation programs.

These latter programs have recognized the standards for the independent practice of psychology as defined by the American Psychological Association (APA).

Briefly, these standards consist of a doctorate from an approved program which is primarily psychological in content at an accredited university, and a minimum of 1 year of supervised professional experience.

Doctoral-level training in psychology involves rigorous training in scientific methodology, experimental design, statistics, and in critical analyses of human behavior.

Doctoral programs also include broad-based courses covering a variety of theories and principles of human behavior; these include the biological bases of behavior, the causative-affective bases of behavior, social factors and individual differences.

Extensive training in assessment techniques, including the use and interpretation of intelligence and personality tests, is also highly stressed.

A broad range of intervention theories and techniques such as individual and group psychotherapy, family and marital therapy and behavior management skills are an integral part of doctoral level training.

During the doctoral-level trainee's one-year internship, he is afforded the opportunity to carry out his professional functions and apply his skills and techniques under supervision.

The doctoral requirement for the independent practice of psychology has been recognized by several agencies and organizations, including the National Register of Health Service Providers in Psychology, HEW, all branches of the Armed Forces, most psychology State licensing boards and most third-party payers for service, both Government and commercial.

The fact that the DVB personnel can qualify for GS-9 positions as "counseling psychologists" with a bachelor's degree and 2 years of experience is inconsistent with the Rehabilitation Act of 1973, which provides for diagnostic and treatment services for emotional and mental problems by a skilled physician or a licensed psychologist.

Currently, chapter 31 recipients are receiving psychological services from unsupervised providers whose level of training and experience do not meet the criteria which organized psychology views as adequate to reflect professional standards of competence.

The APA has stated that all psychological services should be uniform in Federal, State, and private facilities. To offer psychological service providers with less than this high level and quality of training and education to chapter 31 service recipients is to deprive these veterans of the opportunity to maximize their vocational rehabilitation potential to their fullest extent. Thank you.

Mr. STEINBERG. Thank you very much, Dr. Criswell.

Dr. EHRLE. I represent no one. I have no professional organization to represent, no constituency, so you will have to evaluate my comments with that in mind.

Earlier this month, I provided a written statement on the need for veterans legislation to the committee and, in essence, I called for the adoption of two concepts; namely, the concept of continuity and comprehensivity in rehabilitation service delivery for those veterans who need comprehensive services, and the concept of an array of acceptable rehabilitation outcomes including employment, but not limited to employment.

Both concepts were discussed in some detail in that statement.

I subsequently received proposed amendment No. 1661 to S. 1188, and will limit my comments to sections of the proposed amendment which seem to relate to the two concepts outlined above.

I believe that the provisions of section 1509, supported by sections 1504(b), 1505(d), and 1520, adequately recognize the need for a program of independent living services, with the establishment of such a pilot program including report and followup as a possible alternative acceptable rehabilitation outcome in selected instances.

Section 1501(5), "Rehabilitation Program", would therefore seem to be generic to section 1501(8), "Vocational Rehabilitation Program", and section 1501(3), "Program of Independent Living Services."

The validity of an independent living program is further enhanced by opening the doors for such rehabilitation services to veterans who are currently institutionalized in VA hospitals, nursing homes and domiciliaries and certain persons on active service pending discharge.

As well as being psychologically and socially desirable, it is probable that independent living will prove to be a cost-effective alternative to institutionalization, particularly as our veteran population becomes older and where remunerative employment is not a practicable goal.

As for the need for continuity and comprehensiveness of rehabilitation services, including medical services, I assume that amendment No. 1661 addresses these issues by means of the individual vocational rehabilitation plan specified in section 1507 and by making it possible for DVB to contract with D. M. & S. for medical services, as authorized by section 1516(b)(2).

The latter provision would also enhance D. M. & S. and DVB coordination through the use of entitlement funding for the medical services procured.

The implementation of these sections, along with the 6-point administrative mechanism of system management proposed by the VA Task Force on Rehabilitation, should go a long way toward insuring continuity and comprehensiveness of services received by the veteran, as well as increased coordination and cooperation between DVB and D. M. & S. in providing such services.

I was particularly gratified to see sections 1518 and 1519, which called for continued ongoing professional training for counseling and rehabilitation staff and for appropriate research.

As these sections are implemented, perhaps the VA, once again, will regain its sense of excellence and leadership role in society.

Mr. Chairman, thank you very much.

Mr. STEINBERG. Thank you again, Dr. Ehrle.

Dr. MORIARTY. In the interest of time, I will submit my written testimony for the record and will highlight my testimony beginning on pages 16 and following.

I endorse S. 1188, as amended by 1661, since it brings about a much needed overhaul to the chapter 31 vocational rehabilitation program.

Specifically, I strongly endorse the following:

Point 1: Enlargement of the purpose and operation of chapter 31 rehabilitation program beyond that of employability to the actual employment in a suitable job.

Consistent with this enlargement of purpose, I suggest a change of the definition of "rehabilitated" as used in section 1501 to mean employed in an occupation, rather than, in its current form which is to be rendered employable.

Point 2: The expansion of training opportunities beyond the current overriding emphasis on academic training is a very positive step forward.

Point 3: A welcome expansion, in rehabilitation services to chapter 31 trainees is found in the specific provision for postemployment services and the provision of special assistance to the most severely disabled persons.

Point 4: The specification of a broad scope of services, as well as assistance that the Administrator may provide participants in chapter 31 is also quite desirable, in my view, providing as it does clear authority for the full range of diagnostic, evaluative, pretraining, and related kinds of services.

Point 5: The independent living services section is also a welcomed expansion, making the chapter 31 program more congruent with the 1978 amendments to the civilian vocational rehabilitation program.

I favor the Cranston amendment which would provide a clear delineation of the scope of independent living services consistent with that set forth in section 702 of the Rehabilitation Act of 1978.

Point 6: There is considerable merit in Senator Cranston's amendment that would delete from S. 1188 the requirement that the veteran be determined to be in need of vocational rehabilitation services because of an employment handicap before any services are provided. This is a critical issue because, first the limiting of extended evaluation to those who, after initial evaluation, are determined to have a serious employment handicap would mandate the development of an individualized written rehabilitation plan of services only when a serious employment handicap exists. It is my understanding that the Cranston amendment would, if the veteran is determined not to have a serious employment handicap, permit him/her to request counseling, placement and other authorized services without the need for an individualized vocational rehabilitation plan.

Such a change has merit because it does permit focusing more directly on those who have serious employment handicaps, while still providing certain services to those less severely vocationally handicapped with a potential saving in unnecessary paperwork and administrative time.

Point 7: It came as something of a surprise to me, not having much prior familiarity with the specifics of chapter 31 VR program, to find that, in recent years, there has been a shift away from the use of chapter 31 by severely disabled service-connected veterans toward the use of the chapter 34 GI bill. It is my understanding that this shift may, in part, be due to the net economic gain of chapter 34 utilization.

I also wonder whether part of the reason for this nonelection by disabled veterans might have to do with the rather limited range of services which, in the past, has characterized this program. In other words, there may not be very much of a "draw" for this program. For these reasons, I would favor any attempt that would reduce the economic disparity between chapters 34 and 31. I would also endorse what I think Senator Cranston is trying to do—increase the scope and richness of services and, therefore, attract those who do need those services.

The final point: I was impressed with the linkage of service and subsistence in the chapter 31 program and the absence of this linkage in the civilian program.

Of concern to any person in rehabilitation would be what I think are related consequences from that, linkage, including establishing a time limit for services, for example.

The overall logic in the current 48 months—or the administration proposal of 64 months, if it carries—has to do with time to completion of undergraduate plus master's degree training.

Now, such a logic, while it does relate to a program of academic rehabilitation training, may be artificial when the context shifts to a comprehensive vocational rehabilitation approach. Such limits, are more comprehensible as an attempt to set reasonable time boundaries for cash assistance. But a real problem, in my viewpoint, comes about when applying these limits to service entitlement.

The natural course, particularly of severely disabling conditions, is often marked by a recurring need for services long after employment has been achieved.

In fact, the provision of such services in a timely fashion might spell the actual difference in whether or not a veteran is able to keep a job or lose it.

What I am therefore proposing regarding the issue of time limitation—including the issue of the 9 years restriction—is that a compromise occur and that we break the service-subsistence link. Keep the necessary restrictions on subsistence. But remove them from service provision.

It is my view, based on economics and incentives to rehabilitation, that some limit should be placed on entitlement to subsistence.

However, neither economics nor rehabilitation nor a sense of fairness can be summoned, that would justify providing fewer services to people injured in service to their country than provided other handicapped persons.

Therefore, I would propose that should eligibility and time restrictions be deemed necessary, they should not include service provision. Thank you.

Mr. STEINBERG. Thank you very much.

We are very well aware of that suggestion, your latter suggestion, and we will very carefully review it.

I don't know if you were here when we inquired of the Veterans' Administration what its reaction was to that, but their response was that they wanted to study it.

But, preliminarily, they did have some difficulty with the notion of providing a statutory separation between service and cash assistance eligibility.

Of course, I think you do understand that the bill does not provide for a clear cutoff at 10 years, but permits extensions beyond that where the Administrator determines that would be necessary to achieve the purposes stated in the bill for the chapter.

So, there is no blanket termination date in there, but your suggestion is very interesting. And we will look at it very carefully.

I wonder if each of you might have some thoughts on two questions relating to rehabilitation research. And you may amplify this, for the record, if you wish.

First, what should be the principal focus for the VA in rehabilitation research? And, generally, how great an emphasis do you think the VA should be placing on research in connection with its overall rehabilitation efforts?

Would you like to lead off, Dr. Criswell?

Dr. **Criswell**. Yes; there are several areas that come to mind. As an example, we know that a number of veterans are unsuccessful in retaining jobs, even though they may obtain employment after completing a program of vocational training.

What is not clear is at what point in their employment experience they have difficulties which result in their failing. Failure can be due to physical limitation, or to difficulties with the job itself, or to difficulties in interacting with peers at work.

I think the VA needs to be active in extending their placement services and contacts into the business and industrial communities. Vocational rehabilitation services could benefit greatly from systematic evaluation of what it's like to be a person with a disability and to work in a variety of different business and industrial environments. Many rehabilitation training programs simply assume that, once a person has been trained in a particular job skill and can adequately perform a specific task, rehabilitation has been accomplished.

But there is much more to it than that. Successful employment involves a variety of important, if subtle, psychological, and social factors. These would include skills in relating to work peers, and in being able to participate in social activities outside the workplace. Disabled persons may have to learn intricate compensatory behaviors; they may not be able to go out and play tennis with their colleagues after work.

There is great need for systematic research as to how all these factors come into play in determining at what point and whether a person succeeds or fails. That is one area for research.

[Subsequently, Dr. Phillip A. Criswell supplied the following information:]

I would like to add, for the record, a number of specific suggestions for research in rehabilitation.

(1) To achieve maximum vocational functioning, it will be necessary to develop and systematically investigate a range of vocational rehabilitation settings that offer varying degrees of structure, training and opportunity for responsibility and productiveness. Such a continuum is exemplified by the following:

(A) Sheltered workshops which provide a protected work environment for certain vocationally limited veterans and a temporary evaluation/training setting for veterans with more vocational potential;

(B) Rehabilitative workshops consisting of simulated work settings in which veterans can be evaluated and trained under varying job conditions necessary to develop work adjustment and job performance skills;

(C) Direct involvement in industry in which VA liaisons work with management toward placement and maintenance of employment. Frequent on-going dialogue between the VA, the employer and the veteran are necessary to provide support, to enable necessary interventions regarding job performance (particularly the subtle social elements of interpersonal relationships between the disabled employee and the non-disabled employees), and to provide data about on-the-job psychosocial variables that are related to employment outcome.

(2) Training in and evaluation of family intervention theories and techniques in physical rehabilitation has been relatively underdeveloped. A family systems theory approach to rehabilitation would broaden the scope and effectiveness of therapeutic interventions, particularly with families in which a member suffers catastrophic injury or illness. Since this model recognizes the reciprocal interdependence among family members, the crucial importance of involving the family system early in treatment cannot be overstated. Research and evaluation should focus on methods to engage and retain the family system in the rehabilitation process and long-term methods aimed at helping families cope with loss and reorganization as needed.

(3) Inpatient rehabilitation personnel and patients often have limited and distorted conceptions of the range of vocations that are feasible for physically disabled individuals. A survey of a variety of vocations in which disabled persons currently function would be useful as a source of encouragement for new rehabilitants and enlightenment for rehabilitation personnel. An example of such a survey would be to follow-up and document the employment status of all VA spinal cord injured patients rehabilitated in the last five years.

Mr. STEINBERG. Do you want to add an area or make other comments on where the stress should be?

Dr. MORIARTY. Congress in Public Law 95-602 has established a National Institute of Handicapped Research (NIHR). Section 203 of the law established an Interagency Committee on Handicapped Research with membership including the Administrator of Veterans' Affairs. The purpose of which is to—* * * identify, assess, and seek to coordinate all Federal programs, activities, and projects, and plans for such programs, activities, and projects with respect to the conduct of research related to rehabilitation of handicapped individuals section 203(b).

I'd suggest that on research issues dealing with disability as such, as opposed to disabled veterans, that the VA use the Interagency Committee and other contacts with NIHR to communicate its research needs. On those research issues that bear just on disabled veterans the VA may also wish to contract with NIHR or other outside groups to get its specific needs met.

Mr. STEINBERG. Dr. Ehrle, do you have something you would like to add?

Dr. EHRLE. I could summarize and say that I think that the ultimate payoff or the ultimate handicapping condition, really, is concerned with role performance—vocational performance is just one of these roles. And I think you were talking about that earlier.

But there are a variety of roles that are expected of a person who can function fully in society. I think that that is one area to be explored.

Another area of possible research might be something dealing with an input—output model where you have a variety of diagnostic categories, a variety of treatment methods and a variety of kinds of outcomes. This is another possible area.

Mr. STEINBERG. Dr. Moriarty, the proposed pilot program for independent living services is intended to address currently unmet needs for a special group of disabled veterans.

Could you comment on what you refer to as the catch 22 element in the current program and how the pilot program might help ameliorate this problem?

Dr. Moriarty. Under current law, before services of any kind can be given under chapter 31, they must be incidental to a vocational goal.

But particularly with severely handicapped, one is not able to find out, (a) whether or not a vocational goal is reasonable at the moment and, if so, (b) what it is until you do provide rehabilitation services.

So, that's what I see as a catch 22, particularly for the severely handicapped. You can't serve him until he has a vocational goal, but you may need to serve him in order to find out if he can have a vocational goal.

Mr. Steinberg. In light of your experience under the VA system and as a vocational rehabilitation specialist, how do you evaluate the adequacy of existing VA counseling services?

Dr. Moriarty. I would not be prepared to talk about current competency. I would, however, speak in strong favor of a case work manager kind of role separate from a therapeutic counselor role. And to what extent that actually plays out in the VA program, I do not know.

Mr. Steinberg. In your testimony on page 10, you state that the severity of vocational handicap is typically unrelated to the severity of disability, except in extreme cases.

For the record, could you provide us with any data or studies that would substantiate that?

Dr. Moriarty. Certainly.

[Subsequently, Dr. Joseph B. Moriarty submitted the following information:]

While a number of studies bear on this issue, a study reported by Dr. Saad Nagi of the Ohio State University, is particularly relevant. Parts of this study were reported in a paper delivered at the First Mary Switzer Memorial Seminar at Cleveland, Ohio in May 1975. Dr. Nagi's results were based on data derived from a nationwide survey of disability. The 1972 survey included 8090 households and represented a probability sample of the continental United States. One person 18 years of age or older in each household was randomly selected for extensive personal interviewing. The design and drawing of the sample was conducted by the Survey Research Center of the University of Michigan's Institute for Social Research. A total of 6493 completed interviews resulted. Because of retirement age of 65, indicators relating to work disability in this study could be meaningfully derived only for persons below this age. Therefore, for this part, a total of 5332 respondents in the survey, ages 18 to 65 were used. When using physical and emotional performance indicators in combination with two health and disease and four socio-demographic characteristics, only 38 percent of the work disability could be explained. Nagi then raised the question, "Given the same degrees of limitations on the two dimensions of performance (here he is referring to physical and emotional), why do some people become vocationally disabled and others do not?"

Nagi discovered three sources of influence:

1. Other problems that the respondents had, not of a physical or mental type, for example alcoholism.

2. Another factor that separated disabled from non-disabled respondents with similar degrees of limitations in physical and emotional performance, was the introduction of job adjustments by employers or by the respondents themselves. "Adjustments in work requirements seemed to have been most effective for persons whose physical and emotional limitations were seriously restrictive."

3. The third set of factors identified by Nagi included highly specific funtioning areas. Nagi concludes that "work disability depends upon a variety of environmental factors such as the requirements of work roles, the labor market demands, and the attitudes of employers.

Mr. **Steinberg**. Dr. Ehrle, in an article you wrote entitled "Rehabilitation Counselor, Role and Function", you have stated that employment cannot be a goal for everyone for the practical reason that there are not enough jobs.

By stating limited employment expectations, are you saying that employment is not a realistic or desirable goal of the vocational rehabilitation program?

Dr. **Ehrle**. Not at all. I am saying that that is certainly a goal; it must be a goal. But it cannot be limited—the acceptable outcome for rehabilitation cannot be limited to employment.

Mr. **Steinberg**. You also state in that article that rehabilitation counselors are middle class representatives of societal roles and functions.

What role could a peer counselor play in the rehabilitation process in light of your thoughts about the societal roles and functions?

Dr. **Ehrle**. I will have to go back and read my article again. I think that, almost all of the testimony here today it seems to present the notion that everyone should work, that this is a societal value that we take almost without thinking.

But, in point of fact, we subsidize large numbers of people for not working. Some people are in school and some people are retired and they are, in fact, subsidized for not remaining in the labor market.

Mr. **Steinberg**. Dr. Criswell, from your perspective, how would you describe the existing relationships between the Department of Medicine and Surgery and the Department of Veterans' Benefits in the VA with respect to vocational rehabilitation?

Dr. **Criswell**. I can give you my perspective with regard to my experience at the Long Beach Bay Hospital.

Generally, during the time I was a psychologist in the spinal-cord injury service, I can recall only two or three instances where I had direct dialog with some representative from DVB regarding follow-up rehabilitation of a patient who had gone through the acute medical process.

Mr. **Steinberg**. You did not consider that to be adequate?

Dr. **Criswell**. Yes; I did not consider that to be adequate.

At that time there was no mechanism—and I am not sure if it exists now—by which coordination could be affected such that, as a person approached discharge from medical treatment, he could be plugged in immediately with a DVB person.

I think this is extremely critical because at this juncture, it is very traumatic to leave a hospital. You lose a lot of support. The veteran needs reassurance that he will have contact with someone who will continue rehabilitation services once he is out of the hospital.

Mr. **Steinberg**. So, you think that is an important issue?

Dr. **Criswell**. It is a very important issue.

Mr. **Steinberg**. The bill, of course, attempts, from the other standpoint, to address it in terms of making sure that chapter 31 participants are fully plugged into the services that they need to assist in their rehabilitation from the Department of Medicine and Surgery, and also by establishing the advisory committee that I think you are all aware of, which we see as a major way of trying to bring these two departments which are part of the same agency together in the same room, at least on occasion.

What would you say, Dr. Criswell, is the prognosis for a successful rehabilitation for a veteran who has been diagnosed as psychotic or having a primary psychiatric problem?

Do you think that the prognosis is particularly different for such a veteran or that that depends on individual circumstances?

Dr. CRISWELL. I think it is highly individual. I think that each case should be carefully assessed and that individual judgments should guide rehabilitative efforts.

[Subsequently, Dr. Phillip A. Criswell submitted the following information:]

In general, however, the VA's own statistics show a much higher failure in the rehabilitation of psychiatrically disabled veterans than in the rehabilitation of their counterparts with comparably assessed levels of physical disability. I must stress the importance of psychological factors in the successful rehabilitation of all chapter 31 beneficiaries. But as my testimony has pointed out, readjustment problems are more common and more severe, and much more often left unresolved, among disabled veterans with primary psychiatric disabilities. Seventy percent of these persons report that their readjustment difficulties have never been resolved. Twenty-one percent of psychiatrically disabled veterans are currently unemployed. And, although more psychiatrically disabled veterans opt for benefits under chapter 31 relative to chapter 34, only 44 percent who begin ever complete their training program.

This failure is surely related to the inadequate pretaining evaluation of persons eligible for chapter 31 services. Very few of these veterans receive a thorough psychological evaluation. Even fewer receive the treatment services indicated by such evaluation, and practially none receive adequate followup. This is in spite of the fact that in late 1978, 64 percent of all hospitalized Vietnam era veterans (and 43 percent of hospitalized veterans from all eras) carried primary psychiatric diagnoses. The persons with the greatest psychological problems are draining the most money from the system for support in expensive inpatient settings. Yet they are receiving the least services designed to meet their needs for independent living, adequate employment and personal and social rehabilitation.

Mr. STEINBERG. I was looking at title 38 to see if I could make a reference with respect to a point that you raised earlier about the linkage or the lack thereof between the services in the hospital and chapter 31.

Section 618(d) of title 38, which was added in 1976 or 1977—but is at least a full part of the law at this point—provides that in providing rehabilitation services under this chapter, meaning chapter 17, medical care, the Administrator shall take appropriate action to make it possible for the patient to take maximum advantage of any benefits to which such patient is entitled under chapters 31, 34 or 35 of this title.

And if the patient is still receiving treatment of a prolonged nature under this chapter, meaning chapter 17, the provision of rehabilitative services under this chapter shall be continued during and coordinated with the pursuit of education and training under such chapter 31, 34 or 35.

The Congress has tried but, as someone said earlier, there is quite a gap between your attempt and the reality of what occurs in the field.

But the basis for the linkage exists, I think.

Dr. CRISWELL. There is an attempt at linkage. However, if you look at how D.M. & S. rehabilitation personnel are utilized, you can see that their primary focus is basically on the acute, immediate rehabilitation of veterans as they move through the in-patient process. To expect these personnel to function as generalists and to take care of outpatient or post-hospital rehabilitation also is asking a lot. It really requires a drastic shift of focus.

I think DVB personnel must attend to a number of problems. Their counseling psychologists have an annual case load of 428 people. The size of this load suggests that these chapter 31 recipients cannot be seen more than one or two times a month, a schedule which cannot accommodate comprehensive or in-depth types of care.

It is easy to understand how the personnel in D.M. & S. and in DVB have difficulty getting together.

Mr. **Steinberg**. I doubt that they are able to sustain one to two times a month with that case load.

Dr. **Criswell**. Well, I was being generous, really.

Mr. **Steinberg**. That is one of the reasons for the focus in the legislation of those resources on the more severely disabled veteran, to try to use the counseling resources more productively and effectively.

Do you have a sense, Dr. Criswell, as to how peer counseling could be used effectively in the rehabilitation process?

Dr. **Criswell**. Peer counseling can be very effective particularly the modeling effects of having patients who are newly injured and at a very suggestible and disoriented stage be exposed to people who are also disabled but who are functioning in a variety of occupations, with a variety of life styles.

I think, however, if you are talking about counseling with psychotherapeutic implications and intent, such services would best be delivered by qualified psychologists or by psychological personnel under the supervision of qualifed psychologists.

Some efforts have been made to achieve peer counseling. For example, at the Long Beach VA there has long been a tradition of having patient ward governments in which the patients take on responsibilities for dealing with other patients with a number of different problems. These include disciplinary actions and advocacy for patient care.

In this way patients have functioned as peer counselors in an unofficial capacity. But I think a formalization of such efforts would be a very valuable aid in promoting rehabilitation.

It is sort of—just let me insert this analogy—it is sort of easier for a person, say, that is in the fourth grade to teach a third-grader the skills he learned the year before than it is for somebody who is far removed from the actual teaching experience. I think that analogy could hold, also, for rehabilitation.

Mr. **Steinberg**. You make a substantial recommendation vis a vis the issue of the credentials that counselors ought to have in your prepared statement. And we are undertaking to get the VA's response to your specific recommendations.

Dr. **Criswell**. Fine.

Mr. **Steinberg**. Those are all the questions that Senator Cranston had for you.

Each of you made, obviously, a major effort to study and understand the legislation and to deal with it in very specific detail. And that is of great value to us, to the committee, in considering it and undertaking to make any further changes in the law.

So, we are very grateful for your effort and want you to know that it is very much appreciated and that your painstaking labors have been successful insofar as making valuable contributions to our work.

We appreciate your coming from out of town, the two of you that did, and we are sorry that we have to send you back in such inclement weather.

These hearings now stand adjourned. Please, send your responses back, for the record, by next Friday.

[Whereupon, at 2:30 p.m., the committee was adjourned, subject to the call of the Chair.]

[The prepared statements of Dr. Criswell, Dr. Ehrle, and Dr. Moriarty follow:]

PREPARED STATEMENT OF PHILLIP A. CRISWELL, PH. D., ASSOCIATION FOR THE ADVANCEMENT OF PSYCHOLOGY AND THE AMERICAN PSYCHOLOGICAL ASSOCIATION

It is an honor to appear before this distinguished Committee. As an advocate for disabled persons, particularly disabled veterans, I am most grateful for the opportunity to begin my remarks not by berating you, but by thanking you.

I thank you for the courage you have shown in championing the rights of a disadvantaged and easily forgotten minority. I thank you for the excellent laws you have sponsored to support all disabled veterans. I thank you for your special attention to the Vietnam Era veteran -- the most hurt, the least rewarded and the longest ignored veteran of any foreign war.

Honest and open discussion of the problems of Vietnam Era veterans has been rare, but the work of this Committee under the leadership of Senator Cranston has challenged this "conspiracy of silence". The American public is beginning to acknowledge that the disabled Vietnam veteran exists, and has special problems. I thank you for this public awareness.

Unlike his American predecessors in all other foreign wars, the Vietnam veteran returned home as neither a victor nor a hero. He was not heralded, praised or even thanked. Instead he was witness to the greatest social protest his country had ever seen. It was a protest against exactly the movement he had served and for which he had sacrificed so much. Instead of being helped in readjustment, the Vietnam veteran was frequently hurt further by being stigmatized, isolated from his social supports and disadvantaged in securing employment. I thank you for standing apart in extending gratitude to these men. I thank you for assaulting the shame and guilt they have borne. I thank you for insisting that they have the right to full and productive lives, and for demanding the support systems this requires.

Since people often seem to fulfill the expectations that others have of them, I thank you most for expecting a great deal from disabled veterans in return.

Senator Cranston and this Committee have been exemplary in your pursuit of the effective rehabilitation of disabled veterans. At your continued insistence, evaluation of available VA services has left few stones unturned. We fully agree with the conclusions of this evaluation: that current services are not adequate. We also agree with nearly every improvement to S1188 recommended by Amendment 1661. The document is remarkably broad and detailed. Our reading of it shows that our goals are the same as yours -- the fullest possible restoration of the disabled veteran through the finest rehabilitation services available.

While we do not differ in objectives, we do have a somewhat different evaluation of current needs -- diagnosis of the problems, if you will -- and consequently some additional means to recommend in accomplishing our common goals.

In many areas of applied social science the VA has nurtured and produced high-quality innovation and success. For example, when it was found that traditional medical techniques were ineffective in treating the large number of emotional and psychological casualties of World War II, the VA was aggressive in soliciting and employing large numbers of highly trained mental health professionals. In 1946 VA contracted with the American Psychological Association to greatly increase the number of trained mental health professionals through the VA Psychology Training Program -- an extensive system of faculty, graduate student and pre-doctoral internship support for veterans in the field of psychology and for nonveterans who wished to train in the VA system. Today the Veterans Administration is the largest single employer of psychologists. More than 1400 doctoral-level psychologists work full-time in the VA Department of Medicine and Surgery (DM&S), and 66 percent of them were VA-trained.

This excellent record in health care contrasts sharply with the less-than-laudable record of the VA Vocational Rehabilitation program. The reasons for rehabilitation failure include all of those identified by your Committee, but they also include a basic oversight reflected in the quantity and quality of available rehabilitation services, and the personnel to provide them. We think the psychological component of disability and rehabilitation is of the utmost importance. Health means physical _and_ mental health; rehabilitation means physical _and_ mental rehabilitation.

We refer more frequently now — almost casually — to our unfulfilled obligations to Vietnam Era veterans. I wonder if we really know what that means. I wonder if we have fully admitted the tremendous psychological legacy left us by the Vietnam war. I ask you to consider today two sets of problems, which are compounded for the Chapter 31 recipient — the mental health problems of veterans of our longest, most costly and least popular war, and the mental health problems of disabled persons. As Max Cleland has said:

> The impact of personal adjustment problems upon disabled Vietnam veterans is often especially hard because there often exists questions about the validity of the sacrifice that resulted in the disability.

What have we offered to assuage the anger, pain and despair of those who made such great personal sacrifices in the absence of social justification? What have we offered to support healthy minds in disabled bodies? The answer, all too frequently, has been only technically "correct" job training services which themselves are degrading. How many thousands of bright, creative veterans did we hurt by inattention to their personal, social and psychological needs while we trained them to be watch repairmen?

The physically disabled are often not pretty, but mental and emotional problems carry greater liability and elicit less sympathy. Mental and emotional problems are more pervasive and debilitating than any single physical health problem. But they are frequently harder to identify, and they are almost always less understood. Congress is not alone in its reluctance to address the specific mental health needs of the Vietnam Era veteran. But Congress and the Executive branch must be in the vanguard of social and public policy-makers who recognize this reluctance, and who take steps to amend it. It was, after all, Congress and the Executive branch who took the responsibility of sending these men to Vietnam for a period of ten years that spanned the greatest political, philosophical, social and psychological schism ever experienced in this country.

The President's Commission on Mental Health (PCMH) has established itself in this vanguard by charging one of its Task Forces with the responsibility of examining the Vietnam Era veteran population, determining their problems and needs, and making recommendations for meeting those needs. In brief, this group concluded that "the problems of Vietnam Era veterans are significantly different from those of veterans of earlier wars."

> The differences reflect the special circumstances of this war and the way it was fought; the differences in attitudes of the Nation toward the war and to the returning veteran; and differences among the veterans themselves -- in their perceptions of the war, their involvement, the conditions they faced on their return.

Among this Task Force's specific findings were the facts that:

- The Vietnam conflict produced a rate of mental and emotional disorders that is far higher than it was for veterans of previous wars.
- "The unemployment rate among Vietnam veterans is significantly higher than the national average for their nonveteran counterparts. Poor employment opportunities lead, in turn, to a cycle of job turnover, lowered self-esteem, and exacerbation of existing health and psychological disturbances."
- "Serious and prolonged readjustment problems -- estimated to exist among approximately one out of five veterans -- are compounded for Vietnam veterans injured during the war whose need for psychological rehabilitation and long-term support has been largely ignored."

- Large numbers of veterans continue to require specialized treatment facilities for detoxification, maintenance programs, and other forms of drug abuse therapy....The U.S. Public Health Service estimates that one-half million Vietnam veterans are alcoholics."

- High rates of family breakdown, separation and divorce among these veterans are indicative of other serious readjustment problems experienced after the Vietnam conflict.

The PCMH Report on Vietnam veterans concluded, sadly, that:

> Many of the mental health problems which veterans suffer are problems we could have dealt with effectively a long time ago, as the men came out of Vietnam and military service. Had we taken that approach, we would be following them up rather than looking to find them now. We were unprepared then and we have delayed since.

These findings and conclusions are corroborated by the evaluation encouraged by this Committee and reported to it by the VA on October 5, 1979:

> Presently, 45.4 percent of [Vietnam Era Disabled] veterans have experienced readjustment problems since leaving the Armed Forces....The most common readjustment problems are making plans for the future, severe depression, and re-establishing relationships with family or friends. Alcohol and drug problems and difficulties in work adjustment were also...prominent...Only 47.8 percent of veterans having readjustment problems received counseling, psychotherapy or other treatment services, and 61.2% of veterans having readjustment problems have not had those problems adequately resolved.

The incidence of readjustment problems is particularly high among veterans who have neuropsychiatric disabilities. Seventy-four percent of this population report such maladjustment, and 70 percent report that these problems have never been resolved. In addition, 21 percent of disabled veterans with primary diagnoses of neuropsychiatric disorders are currently unemployed, compared to less than 9 percent of disabled veterans with all other diagnoses.

Research on modern warfare conditions has shown that the largest percentage of casualties during any conflict -- approximately 30 percent -- will be mental and emotional. It has also been shown that with immediate and appropriate treatment, a large proportion of these casualties recover to return to active duty. As shown by the continuing cost of the Vietnam conflict, however, these casualties, when untreated, leave a legacy of delayed and chronic disorders that persist long after return to civilian life.

- Throughout the Vietnam Era, 56,909 members of the Armed Forces died, and 303,704 were wounded in conflict. The number of Vietnam Era veterans who have subsequently been admitted to psychiatric units is 67,000.
- Of the total 540,150 Vietnam Era veterans receiving compensation for a service-connected disability in December 1979, 96,430 -- nearly 18 percent -- were being compensated for psychiatric/neurological conditions. Almost 39,000 of these veterans are labeled psychotic; 20,400 have psychoneurotic conditions.
- The annual census of patients remaining in VA hospitals on October 4, 1978 revealed that of a total 72,034 patients, 31,273 -- 43 percent -- carried a psychotic or other psychiatric primary diagnosis. Among Vietnam Era veterans alone, 6,073 -- or 64 percent -- of the total 9,387 hospitalized patients carried such diagnoses.
- Vietnam Era veterans under age 34 have a suicide rate 23 percent higher than nonveterans of the same age group.

These figures show that veterans carrying primary psychiatric diagnoses comprise a large proportion of all disabled veterans. But the need for professional mental health care is certainly not relegated to this group alone. No one has to be classified as mentally ill to need psychological help. In fact, Vietnam Era veterans are overrepresented in mental health programs of all kinds.

- Although they comprise only 28 percent of all veterans, Vietnam Era veterans constituted 40 percent of all veterans treated as inpatients for drug dependence problems during 1977, and 55 percent of the more than 8,000 veterans in outpatient programs that year.
- During 1977 alone, 228,000 veterans received care from community mental health centers across the country. Another 40,000 received services from their State Rehabilitation Programs.

There is a great irony in the eagerness with which we fund physical, medical care and the reluctance with which we approach mental health needs. In fact, the single most important factor in determining the success of any rehabilitative effort is the disabled person's basic acceptance of himself and his condition. It is only from this acceptance that a motivation to live, let alone to strive for productivity, can be generated. Remember, these persons were once healthy -- healthy enough to have served in our Armed Forces. I think even those who have never experienced a seriously disabling condition can appreciate the mental and emotional problems that would accompany a sudden injury from which the victim would never fully recover.

The separation of vocational rehabilitation from the VA Department of Medicine and Surgery is consonant with the administrative technicality that such services are nonmedical benefits. You are correct in presuming that the problems inherent in restoring these people to their highest level of functioning are not medical problems per se. One of the saddest components of such disabilities is the fact that, once their physical conditions have stabilized, there is no future hope and little else besides maintenance that physical medicine can offer these people. Self-acceptance, ego strength, interpersonal adjustment and the motivation to achieve cannot be secured through even the most advanced and expensive medical services we know.

You are not correct if you presume these limitations imply that there need be no professional involvement in the mental health care of this population, however. We agree with the intent of Amendment 1661 to channel professional mental health services toward those who need them most. Not all Chapter 31 beneficiaries have serious attitude or adjustment problems. Many of them have accepting and supportive families and friends, and there is considerable variation in individual level of motivation for rehabilitation, in the rate and degree of recovery from and acceptance of physical disability, and consequently in the degree of psychological help and counseling that the veteran will need. But professional involvement should begin with that very evaluation process. Unfortunately, the VA Department of Veterans Benefits does not have the professional mental health personnel to provide these evaluative or direct care services. In the absence of such personnel, limitless expenditures for rehabilitation can only yield a limited return.

Recent investigations have shown that seven and one-half times as many veterans whose disabilities qualify them for Chapter 31 benefits train under the GI Bill instead. Among those who do train under Chapter 31, however, a disproportionate number carry mental health disabilities. Veterans with neuropsychiatric diagnoses make up 23 percent of all Chapter 31 recipients and only 15 percent of those who use Chapter 34 (GI Bill). In both programs the completion rate is lower for those with greater disability. But a different kind of failure is reflected in the fact that in both programs the completion rate is lower for those with neuropsychiatric than those with all other diagnoses.

Vocational rehabilitation services are being used the most by these mentally handicapped persons -- and it is with the same population that the system has failed most often. These failures take their toll in terms of human suffering and in quality of life. They also cost money. The National Academy of Sciences recently determined that as many as 40 percent of the mental patients currently in VA facilities need not be hospitalized. But they cannot be discharged -- and when they are, they frequently return -- because there are not sufficient resources outside the hospital environment to support their independent living.

You have modernized and expanded the VA's obligations in rehabilitation to include counseling and psychological assessment, evaluation and direct care services. But you have charged the Department of Veterans Benefits (DVB) with the responsibility of implementing these expanded services, and they simply do not have the professional personnel to do so. The Administration's Bill and your Amendment presume a level of staffing and a level of professional competence and training that at present do not exist in DVB. As we have learned through past failures of the VA rehabilitation program, good intentions do not substitute for the resources necessary for implementation.

The VA Counseling and Rehabilitation Program has only 275 "counseling psychologists" in its 58 field stations. Although each counsels an average annual case load of 428 persons, the majority of these "counseling psychologists" do not have the minimum educational requirements to be licensed as psychologists. Nor could they practice without supervision by a doctoral-level psychologist anywhere outside the VA Counseling and Rehabilitation system. The professional standard for the independent practice of psychology -- as recognized by the American Psychological Association, the National Register of Health Service Providers in Psychology, the Department of Health, Education and Welfare (now Health and Human Services), the National Institute of Mental Health, all branches of the Armed Forces, most State psychology licensing boards and most third-party payers for service, both government and commercial -- is a doctorate from an approved program in an accredited university and at least one year of supervised experience. The Department of Veterans Benefits, in contrast, is staffed largely by "counseling psychologists" at the GS-9 level. Minimum requirements for this position can be fulfilled by a bachelor's degree and "two years of professional experience in psychological work which included the application of psychological principles and techniques."

The Rehabilitation Act of 1973, which served as a model for upgrading the comparable VA program, recognized, as does your legislation, that "physical and mental restoration services" include the "diagnosis and treatment of mental and emotional disorders." However, the 1973 law went further than S1188 and Amendment 1661 by specifically defining the scope of vocational rehabilitation services to include:

> (1) evaluation of rehabilitation potential including diagnostic and related services, incidental to the determination of eligibility for, and the nature and scope of, services to be provided, including, where appropriate, examination by a physician skilled in the diagnosis and treatment of mental or emotional disorders, or by a licensed psychologist in accord with State laws and regulations, or both....
>
> (4) physical and mental restoration services, including... diagnosis and treatment for mental and emotional disorders

> by a physician or licensed psychologist in accordance with State licensure laws.

The American Psychological Association has been consistent and explicit in defining the minimum level of education and training in their Standards for Providers of Psychological Services:

> Principle 3. All persons providing psychological services shall meet minimally acceptable levels of training and experience, which are consistent and appropriate with the functions they perform. However, final responsibility and accountability for services provided must rest with psychologists who have earned a doctoral degree in a program that is primarily psychological at a regionally accredited university or professional school. Those providing psychological services who have lesser (or other) levels of training shall be supervised by a psychologist with the above training. This level of qualification is necessary to assure that the public receives services of high quality.

The same Standards also stipulate that:

> Principle 4. There should be a uniform set of standards governing the quality of services to all users of psychological services in both the private and public sectors. There is no justification for maintaining the double standard presently embedded in most state legislation whereby providers of private fee-based psychological services are subject to statutory regulation, while those providing similar psychological services under governmental auspices are usually exempt from such regulations. This circumstance tends to afford greater protection under the law for those receiving privately delivered psychological services.

For 25 years the VA Department of Medicine and Surgery has not hired Clinical or Counseling Psychologists who have not attained this educational level. The U.S. Congress mandated this minimum, as well as State licensure or certification, for psychology personnel in DM&S in the recent law introduced by Senator Cranston as S741. It is the same minimum standard required of psychologists as defined in the Federal Employees Health Benefit Program of 1974, the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), the Civilian Health and Medical Program of the Veterans Administration (CHAMPVA), the Work Incentive

Program, the Federal Employees Compensation Act and the Vietnam Veterans Health Care Bill. It should be the minimum requirement for those responsible for vocational rehabilitation under Chapter 31, because these services are no less important.

> In the VA program, rehabilitation counseling is seen as essentially a process of psychological counseling, and, therefore, one which requires that the counselor have certain essential psychological skills and knowledge. These include understanding of the development and dynamics of human behavior, knowledge of the psychological (as well as physical) effects of disability; competence in counseling techniques and in psychological and vocational assessment; and knowledge of vocational psychology. (VA Report on the Provisions for Veterans Vocational Rehabilitation, Oct. 5, 1978.)

The Veterans Administration is greatly indebted to the psychology personnel in DVB who have provided counseling and psychological services to disabled veterans. But without adequate supervision by doctoral-level psychologists, and with an average annual case load of 428, the services provided by these 275 people cannot be upgraded to the level provided by private or State rehabilitation programs, and they do not meet the minimum standards of the profession or of State licensing laws. Perhaps veterans eligible for Chapter 31 benefits have frequently sought help elsewhere because of DVB's inadequate attention to their mental, emotional and adjustment needs. To avoid perpetuating this second-class quality of care for the Chapter 31 beneficiary, we must raise the level of training of current DVB personnel, and we must supplement the supply of DVB service providers.

One goal of the pending legislation, one which we fully endorse, is to improve communication and cooperation between DM&S and DVB in the VA system. The current fragmentation of service delivery and the inability of these separate departments to coordinate their efforts for the benefit of the service recipient is an indictment of system failure, and it is a source of shame. Since the minimum requirements for the providers of counseling psychology services differ in the two departments, however, enactment of S1188 or Amendment 1661 might produce the opposite of its desired result. Both versions of Chapter 31 would require DVB personnel to assume case management and initiate counseling and psychological services to some inpatients and outpatients of VA hospitals. However, hospital accreditation and professional standards, VA regulations and individual hospital bylaws do not extend to sub-doctoral and unlicensed psychologists the clinical privileges required for providing these services to hospital patients.

We believe that to assure the quality of Chapter 31 services there must be an assurance of high quality counseling psychology services. We believe the money appropriated for Chapter 31 implementation will be neither effective nor cost-efficient unless a high quality of counseling services is guaranteed. The current staffing criteria in DVB belies the fact that every helping profession has a minimum acceptable level for entry into practice. As it is now structured and staffed, DVB cannot provide professional counseling and psychological services comparable to those available through other departments of the VA, and through other State, Federal and private programs.

The VA Department of Veterans Benefits needs personnel who are educated, experienced and skilled in diagnosis, therapy, research, evaluation and teaching/training. Doctoral level psychologists are unique among the helping professions in holding the only scientist/practitioner model in health. Their training includes (but is not limited to):

> Instruction in scientific and professional ethics and standards, research design and methodology, statistics, psychological measurement, and history and systems of psychology....The program shall, further, require each student to demonstrate competence in each of the following substantive content areas:
>
> (1) biological bases of behavior (e.g., physiological psychology, comparative psychology, neuropsychology, sensation, psychopharmacology),
>
> (2) cognitive-affective bases of behavior (e.g., learning, memory, perception, cognition, thinking, motivation, emotion),

(3) social bases of behavior (e.g., social psychology, cultural, ethnic, and group processes, sex roles, organizational and systems theory), and

(4) individual behavior (e.g., personality theory, human development, individual differences, abnormal psychology). (Criteria for Accreditation of Doctoral Training Programs and Internships in Professional Psychology, American Psychological Association, 1979.)

In addition, training must provide skills which "encompass several types of assessment and intervention procedures rather than being restricted to a single type." Such skills include psychodiagnosis, psychological assessment (group and individual), intervention procedures (group and individual psychotherapy and behavioral therapy), consultation, program evaluation, etc. (Criteria for Accreditation, 1979.)

Psychologists are trained as "team players". Our instincts suggest, and research has confirmed, that the most beneficial rehabilitation services result from interdisciplinary team efforts among providers with various skills. We are not criticizing the present DVB staff, who have performed admirably within their legislative and budgetary constraints. We are asking that DVB service recipients have access to licensed, professional mental health specialists for initial evaluation and assessment of need, and for psychotherapeutic counseling and other mental health and rehabilitation services. Where these personnel are not available in sufficient numbers, we ask that service providers with lesser qualifications have access to the supervisory help of licensed mental health specialists, who should hold ultimate responsibility for the quality of mental health care. In most States, these specialists include: psychiatrists who have been board-certified; psychologists who hold doctoral degrees from approved programs and who are licensed by a State board of psychology examiners; licensed clinical social workers; and licensed psychiatric nurses.

We encourage you to upgrade the minimum standards required of DVB counseling psychologists to those required of DM&S and other government-classified "Psychologists", and those enforced by the American Psychological Association, third-party payers, and most State psychology licensing laws. Field programs in the Department of Veterans Benefits which do not include a sufficient number of mental health professionals should be helped to upgrade their staffs as quickly as possible. In the meantime, these programs should be encouraged to contract with local resources -- particularly the VA DM&S, but also community mental health centers, State and private rehabilitation programs -- to insure the quality of DVB mental health and rehabilitation care, and ultimately to insure the success of vocational rehabilitation efforts. Qualified professionals, particularly Counseling Psychologists with rehabilitation training and experience, should also be specified as research, training and evaluation program directors.

In accomplishing these goals, I am pleased to pledge the help and support of the American Psychological Association, a professional organization representing 50,000 psychologists. I hope the VA Department of Veterans Benefits draws particularly on the resources, knowledge and expertise of APA's Divisions of Counseling and Rehabilitation Psychology.

Please do not make the mistake of charging these very important rehabilitation responsibilities to a program that is not adequately staffed, funded or regulated for quality assurance.

PREPARED STATEMENT OF RAYMOND A. EHRLE, PH. D., PAST PRESIDENT, AMERICAN REHABILITATION COUNSELING ASSOCIATION, PROFESSOR OF MANAGEMENT SCIENCE, GEORGE WASHINGTON UNIVERSITY

Mr. Chairman, my name is Raymond A. Ehrle and I live at 8327 Donaghue Drive, New Carrollton, Maryland. I am a Doctor of Education, licensed Psychologist, past-president of the American Rehabilitation Counseling Association, Major in the USAF retired Reserve, and Professor of Management at George Washington University. I represent no group or constituency by this testimony but speak only as a professional with twenty years of experience in manpower and rehabilitation activities. My experiences with the Veterans Administration have been limited to serving as a consultant to the VA Task Force on Rehabilitation during the last four months of 1979. Therefore the comments which I make must be seen in terms of these strengths and limitations.

I believe that the entire rehabilitation effort in the Veterans Administration (VA) could be strengthened and made more responsive to both veteran and societal needs by the adoption of two concepts, namely: a) the concept of comprehensive rehabilitation for those veterans who need it, and b) the concept of an array of acceptable rehabilitation outcomes, including employment, but not limited to employment.

Existing legislation calls for a program of medical rehabilitation which provides certain medical interventions for patients who require intensive, acute or long term care. These interventions tend to be episodic and tend to focus on organ systems and anatomical and physical aspects of the person in order to enhance his level of function insofar as possible. Medical rehabilitation is carried out at Medical Centers under the general direction of the Department of Medicine and Surgery (DM & S).

Similarly, existing legislation calls for a program of *vocational rehabilitation* and benefits which provides loan guarantees, training , counseling and so on for veteran *claimants* on the basis of entitlement. It is assumed that if such services are provided to the eligible veteran, he will be better able to carry out specific roles and tasks required of our society with particular emphasis on the vocational role. In short it is expected that the veteran will become gainfully employed as vocational rehabilitation services are provided at VA Regional Offices and contract facilities under the general direction of the Department of Veterans Benefits (DVB).

The VA thus has two rehabilitation programs serving largely, but not completely, different populations, using different strategies, at different locations, and anticipating different outcomes. The problem arises when a veteran needs a program of *comprehensive rehabilitation* services. By specifying "medical" or "vocational" rehabilitation, legislation to date by default denies the need for comprehensive rehabilitation. Comprehensive rehabilitation is centered on the needs of the rehabilitation client—it is *centered on a whole-person-in-situation* rather than on an organizational entity, a facility, a procedure, a practitioner or diagnostic category. One definition follows[1]

> Systematic process by which persons with physical or mental handicaps are provided the medical, psychological, social, educational and vocational services they need to attain maximum independence, and by which there is a continuing and concurrent interaction among the services comprising the overall rehabilitation process.

The process itself is marked by *comprehensiveness* (medical, psychological, social, educational and vocational services, as necessary), *integration* (continuous, concurrent, unified, interdependent), *flexibility* (to meet changing needs and opportunities of the veteran over time) and *individuality* (structured around the individual as co-manager of his fate, and his needs).

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[1] Draft Copy, VA Rehabilitation Task Force Report, January 4, 1980 p.9

The extent to which comprehensive rehabilitation services are not provided has negative consequences to the individual veteran, to the service delivery system and to society as a whole. People who need and do not get comprehensive services feel fragmented, alienated and frustrated as they try to penetrate first one rehabilitation system in the VA and then the other, each with its own set of rules and procedures. Viet Nam veterans have been particularly vocal in expressing their frustrations in this regard.

Similarly, the rehabilitation service delivery system will feel frustrated in its inability to provide a pattern of coherent and comprehensive services. There is some evidence to suggest that this situation exists in both DM & S and DVB. Several responses to the need for comprehensiveness and continuity on the part of DM & S include having psychologists serve as vocational counselors in medical settings, and designating vocational adjustment training as "work therapy". DVB also perceives the need for comprehensiveness and continuity by its endorsement of the case manager and the individual written rehabilitation plan. Both DM & S and DVB appear to be addressing symptoms rather than resolving an underlying problem.

Thus in order to meet the need for comprehensiveness and continuity in the absence of legislation a climate had evolved leading to duplication of effort, confusion of mission, and potential for inter-system conflict within the VA. I believe that the recent VA Task Force on Rehabilitation, convened by Mr. Cleland, attempted to come to grips with this problem in its deliberations. One recommendation specifically outlined a mechanism to foster better cooperation between DM & S and DVB at both Central Office and field levels with particular emphasis on addressing veteran needs for comprehensive rehabilitation.

In short, the practice of comprehensive rehabilitation is concerned with the whole-person-in-situation—as a system functioning in an environment—and this practice must inevitably be reflected in the service delivery system—an integrated coordinated system of matrix management functioning within our larger social environment. Typically this administrative arrangement would follow legislation but in this instance the Task Force recommendations seem to precede legislation which may subsequently be enacted. In any event all of this deals with the need for some form of comprehensive system of service delivery to meet the needs of some individuals for comprehensive services.

The second and last major concept I would like to discuss concerns the issue of rehabilitation outcomes. I have previously published on this subject and include a partial bibliography. I seriously question whether in a capital intensive society , such as ours, the expectation that everyone must be gainfully employed. At the moment 40 per cent of our population supports the entire population anyway. The remaining 60 per cent are subsidized to not participate in the job market by virtue of their status as schoolchildren, retirees, patients, prisoners, students, housewives, welfare recipients, the mentally ill and so on.

Gainful or remunerative employment does indeed keep people off the streets and does add to the Gross National Product (GNP) and those employed may work very hard. But the fact of being employed and adding to the GNP must not be confused with productivity. There is some evidence to suggest that over the past dozen years or so we as a nation have institutionalized inefficiency (and created a built-in inflationary factor) in an effort to maintain a high rate of employment. So much for economics. Perhaps Dr. Saad Nagi of Ohio State University can present an even more convincing case from his research as a sociologist.

Nagi[1] defines impairment as a physiological, anatomical or mental loss or other abnormality. The most direct way such impairments contribute to disability is through the functional limitations they impose on the individual. Disability then moves beyond the level of organismic functioning (medical rehabilitation) to social functioning. Disability is a form of Inability or limitation in performing roles and tasks expected of an individual within a social environment (including but not limited to vocational tasks and roles). The term "disability" is usually applied to inabilities of long or continued duration. Other social tasks and roles (beyond vocational) may include recreational skills and use ofleisure time, family relations, education, self care and independent living, etc.

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[1] Nagi, S. Definition of Pathology, Impairment, Functional Limitations and Disability. In NRA Mary E. Switzer Memorial Series #1, 1975, Washington, D. C.

Following Nagi's model it can be seen that one veteran with a service connected impairment who has undergone medical/vocational or comprehensive rehabilitation may have little or no residual disability; in other words he can successfully carry out appropriate roles and tasks. However, it also follows that another veteran with no impairment may suffer significant disability if he has not learned or cannot learn the variety of social roles and tasks necessary in todays society. A man whose only skill is that of combat rifleman and who cannot or will not learn other necessary skills is disabled according to this definition. He is the person who cannot work under close supervision or as part of a work team if that is required.

Such individuals may or may not be candidates for comprehensive rehabilitation services. In any event their vocational prognosis is uncertain. It is uncertain because of their disabilities and further compounded by the fact that they have only limited control over the dynamics of the job market. Job placement is a function of job market supply and demand at a given point in time and is only partially a function of individual qualifications and skills.

In consideration then of economic, psychological and social factors in the real world, it would seem that veterans legislation must consider an array of rehabilitation outcomes as being both practical and acceptable. The rehabilitation process, over time, may begin by enhancing functional performance, to learning appropriate social tasks and roles, andthen moving to an array of acceptable outcomes which include long term care, independent living arrangements, sheltered employment, self-employment, competitive employment, and long term career placement.

Mr. Chairman, I have tried to present two concepts which, if incorporated in legislation, would strengthen the VA rehabilitation program. These concepts include a) the need for comprehensive rehabilitation services bringing together DM & S and DVB resources, and b) the need to consider a variety of rehabilitation outcomes as being acceptable. Thank you very much.

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PREPARED TESTIMONY OF JOSEPH B. MORIARTY, PH. D., DIRECTOR, WEST VIRGINIA, REHABILITATION RESEARCH AND TRAINING CENTER, PROFESSOR OF BEHAVIORAL MEDICINE AND PSYCHIATRY, WEST VIRGINIA UNIVERSITY

Mr. Chairman, distinguished members of the Committee, it is an honor for me to accept the Committee's invitation to testify regarding S.1188, including the Amendment offered by Senator Cranston. This legislation proposes to amend title 38, Chapter 31 of the United States Code, to improve and modernize the vocational rehabilitation program for service-connected disabled veterans.

If it please the Committee, my testimony will be divided into three parts. Part I will consist of an identification of background issues which may be of importance to any discussion of modernizing the VA's vocational rehabilitation program. Part II will consist of a brief analysis of what I understand to be the current legislative and organizational context under which the VA's vocational rehabilitation operates. In Part III I will respectfully submit to the Committee my comments and recommendations regarding S.1188, particularly emphasizing the Cranston Amendment.

PART I -- BACKGROUND ISSUES

A. The Economics of Disability--Notes Toward a Bottom Line for Vocational Rehabilitation.

1. General Observations. The Administration estimates that the passage of its Draft Bill will involve additional expenditures in the vicinity of 55 million dollars for the next five fiscal years in the VA's program of vocational rehabilitation. Now I don't know if this increased funding level is adequate or inadequate. What I do know is that questions of adequacy are difficult to address without an

analytical context in which desirability of specific funding levels can be evaluated. Those of us in the field of rehabilitation are very much aware of the increasing pressures on the federal dollar. The finiteness of federal resources, the increasing pressures on these finite resources from such areas as increased defense spending, the concern about the inflationary effects of continued federal deficit spending--all these factors do and should heighten concern about every federal dollar authorized or expended. Economic considerations will probably play an increasing role in influencing federal outlays across the board.

What about economics? Perhaps the way the business community evaluates expenditures may help us. Businesses routinely evaluate a proposed expenditure, not just in isolation (e.g., how big or little is it) but in the larger analytical context of corporate profitability, including long-term profitability. Or, in other words, the proverbial bottom line. Successful businesses recognize a distinction between economically wise versus unwise expenditures. Or the difference between cost and net cost. Or, if you will, the difference between an outlay and an investment.

Several years ago the Urban Institute conducted a comprehensive needs study of the nationa's disabled. This study estimated the cost of disability to this country at 22 billion dollars per year. Frankly, this came as a shock, even to some of us in the field. That's probably because disablement has such a ripple effect, including costs at points in the economy considerably removed from the individual disabled. Today, it is widely accepted that this same cost of disability might be more realistically pegged at 40 billion dollars. Whatever the exact figure, the cost to taxpayers of disability is estimated as anywhere from quite high to astronomical.

In the case of veterans, forgetting the human and social costs, do we have estimates just of what the aggregate taxpayer costs are from service-connected disablement?

Putting aside the costs of service-connected disability payments (which I understand to be unrelated for the most part to work status) what additional costs, currently tax-supported, would either be eliminated or transferred to other support sources if the disabled veteran were rehabilitated?

The question of aggregate disability costs, it seems to me, is a fundamental one if we are to develop the analytical context mentioned above. A second question is: what is the cost of programs like VAVR that are designed to remediate disability? A third question is: to what extent and under what circumstances do the remediation programs reduce aggregate disability costs?

Social science disciplines including economics are giving us more refined techniques whereby at least the economic effects (maybe not the human and social effects) of programs such as vocational rehabilitation can be evaluated. From the standpoint of the federal government, two kinds of economic advantages have been identified as resulting from vocational rehabilitation programs:

a. Increased Tax Payback. This refers to the increased taxes and other earnings-related contributions a successful rehabilitatnt makes as a result of program participation over what he or she would otherwise have made.

b. Decreased Tax Drain. In addition to payback, a successful rehabilitatnt who otherwise would be un- or underemployed generates savings since he or she typically reduces their use of tax-supported cash (e.g., welfare and other assistance) or in-kind (e.g., food stamps, subsidized housing) transfer programs.

By way of illustration, a study at the West Virginia University Research and Training Center, under the auspices of the Department of Economics, projects that in one state's civilian vocational rehabilitation program, the program pays for itself within seven years after successful placement on the job. It is important to note that this study used actual post-rehabilitation tax data and did not rely on verbal report. It is also important to note that this study included total program cost (direct service and administrative) for both successful and unsuccessful rehabilitants. So, in other words, the increased tax payback and decreased tax drain resulting from successful rehabilitatnts were such as to offset total program costs in about seven years.

A word of caution: It is recognized that benefit/cost rates are only estimates. It is recognized too that one can fall prey to "number magic" and assume that total program performance is captured in one or two or X set of numbers. It is further recognized that you can play a numbers game in rehabilitation and produce favorable statistics by serving the less severely handicapped (where cost is likely to be lower and the return is likely to be higher). It also needs to be mentioned that there is nothing particularly sacrosanct about the term vocational rehabilitation. Vocational rehabilitation programs can vary in how effectively and efficiently the programs are administered and so influence their benefits yield.

With all these caveats in mind, nonetheless it seems justifiable to suggest that a decision not to spend for vocational rehabilitation may not be anti-inflationary or cost reducing. The point here is that the ramifications of spending federal dollars are salient and compel everyone's attention. In other words, given finite resources, every decision to spend in one, clearly means a decision not to spend in other areas. However, given the ripple effect of disability and given at least the sensitivity which benefit/cost analysis provides, we need to be aware that there may be very real economic as well as human ramifications associated with not spending.

2. Applications to VAVR. Based on findings reported in "A Study of the Provisions for Veterans' Vocational Rehabilitation" (Senate Committee on Veterans' Affairs Print No. 26, 95th Congress) in fiscal year 1976 the average age of participants in the Chapter 31 program was 31. If my arithmetic is correct, the average Chapter 31

expenditure per trainee from 1975 through fiscal 1979 has been roughly $3,000 per year. Assuming beneficiaries remain in Chapter 31 program of four years, this yields a projected total cost of something in the vicinity of $12,000. If an average work life of 25 years can be projected, the program would break even if increase in taxes and/or reduction in use of tax-supported programs equalled $450 per year. I'm not sure about the accuracy of my back-of-the-envelope estimate. The point though is that economic criteria can provide a useful evaluative context for examining authorizations and expenditures. If it has not been done already, it seems that it would be fruitful to study the amount of increased tax payback and reduced tax drain that are produced by the Chapter 31 program over the long term.

Only economic benefits has so far been referenced. When other potential paybacks are considered, including increased self-esteem resulting from employment suitable to one's abilities and interests, or greater independence in daily living, the positive effects on the families of disabled veterans from the veteran being employed versus under or unemployed. . .when these intangibles are also factored in, the overall benefits of rehabilitation programs can be defined more clearly, its costs more appropriately evaluated, and future funding levels more rationally determined.

B. Disability vs. Handicap.

1. General Observations. Proposed legislation, including S.1188 as amended by Cranston, correctly makes a distinction between disability and vocational handicap. Disability refers to a medical condition, a loss or abnormality which can be

anatomical, (e.g., amputation) physiological, (e.g., paralysis) mental (e.g., mental retardation) or emotional (e.g., psychosis). Vocational handicap, on the other hand, refers to the negative vocational consequences that flow from disability, i.e., the ability to pursue, obtain, or retain suitable employment. In other words, vocational handicap has to do with performance in a work role while disability has to do with medical pathology and/or impairment.

Persons A & B may have identical disabilities. Person A may be seriously disabled vocationally as a result. Person B only slightly. There are a variety of reasons why this is so:

1. Identical disabilities, because of other factors, may be more disruptive to Person A than to Person B. Example 1: Left arm amputation (disability) might be more handicapping (at least in the short term) to A than B because A is left-handed. Example 2: Identical heart attacks might be vocationally devastating to Person A, a heavy equipment operator, but of minor consequence to Person B who might be able to return to his job as accountant.
2. Individuals differ widely in their ability to cope with the same disability. Availability of personal and family resources, general health status (mental and/or physical), intelligence, capacity for retraining, differing psychological response to disability, are but some of the obvious factors affecting the ability of a person to cope with disability. By way of analogy, the common cold is a temporary inconvenience to most, but to those with already existing lung problems, who can't cope as well, it can be fatal. It's the same cold

virus, but the person without lung problems can cope with it better than the other. Example 1: A & B both became paralyzed. Neither can continue the laborer jobs they previously had. B, however, is sufficiently intelligent to be retrained for a desk job while A is not. Result? Although both are equally disabled, A may be more handicapped.

3. The same medical disability may produce different functional limitations in different individuals. Rheumatoid arthritis (disability) may seriously affect Person B's mobility, but not Person A's.

4. Finally, environmental influences can play a significant role in influencing the handicapping consequences of disabilities or medical impairments. The physical environment (e.g., inaccessibility in housing, transportation, or at the job site) may render a person unemployable who is otherwise ready, willing, and able to work. Also the attitudinal environment of prejudice, including discriminatory employment practices, against persons with disabilities may handicap as much or more than the disability itself.

Dr. Fritz Kottke, Chairman of the Department of Physical Medicine and Rehabilitation at the University of Minnesota's Medical School and a distinguished international expert in the field, puts it this way: "For every person with a particular disability who's not working, I'll show one who is." In other words, the relationship between disability and handicap is considerably less than perfect.

The importance of this disability-handicap distinction squares away with other employment research dealing with non-handicapped. Studies show that when people are fired, it's not usually because they can't do the job, but because they can't get along with a co-worker or supervisor, or aren't punctual, or are deficient in other personal or social skills not specifically related to the job performance per se.

Except in extreme cases of disablement, in the main the severity of work handicap has little to do with disability. A study done by Ohio State University's distinguished sociologist, Dr. Saad Nagi found that only 1/3 of what we are calling work handicap (Nagi prefers the term disability over handicap) could be attributed to eight factors intrinsic to the person, disability being but one of these eight.

Several years ago, a report by the Subcommittee on the Administration of the Social Security Laws of the House Committee on Ways and Means stated "the Subcommittee recognizes the difficulty of developing and enunciating specific criteria for the weight to be given non-medical factors in the evaluation of disability and the extreme sensitivity of this area. But the Subcommittee believes that the time has come, if it is not well overdue, to make a determined effort to develop and refine these criteria and make them available to the evaluators and to the public in the form of published regulations." It is my understanding that these criteria have indeed been refined and published. Let the Committee please understand that it is not my intent to diminish the overwhelming, often personally devastating consequences of becoming disabled. Common sense and earnings studies show that as a group, those with disabilities typically earn less than those who are not disabled. What I am, however, suggesting is that within the group of persons with disabilities, the severity of vocational handicap is typically unrelated to the severity of disability except in extreme cases. It is undoubtedly for reasons such as these that the AMA's Committee on Medical Rating of Physical Impairment, makes it clear that what we are here calling vocational handicap is not a medical phenomenon and therefore is not an exclusive area of physicians' competence and practice.

2. Applications to VAVR. The reason for emphasizing this distinction between the concepts of disability and handicap is:
    1. VAVR's program or other rehabilitation programs should deal with handicap not just disability.
    2. Since handicap is a concept that is complex, dynamic, and relational, a program that purports to treat it has to be comprehensive, flexible, and multi-disciplinary in its orientation.
    3. The logic and rationale underlying a program to ameliorate handicap (either vocational or independent living) may need to be quite different from programs that are disability or impairment-oriented. If the VA's basis for awarding service-connected disability payments is primarily along disability lines (e.g., indemnification for impairments) then the logic associated with such a cash transfer program may have little relevance to service programs of vocational rehabilitation. It might even have negative carry over.
    4. To illustrate point 3, if severity of impairment is used as

the basis for establishing percentage disablement, then there may be little relationship (except in the extreme) between such percentages and vocational handicap. So, someone with, say, a 70% service-connected disability may be less vocationally handicapped than someone with a 30%. In other words, depending on their mode of derivation, findings of disability in the context of a cash transfer program may be minimally useful when the context is changed to one that is handicap and service-oriented in its emphasis.

PART II -- CURRENT LEGISLATIVE AND ADMINISTRATIVE CONTEXT FOR VAVR

My point of departure here is the report titled: "A Study of the Provision for Veterans Vocational Rehabilitation" (Senate Committee on Veterans Affairs Print No. 26, 95th Congress). In my opinion this study, comparing the VA and the civilian state-federal program of vocational rehabilitation, drew many conclusions and offered a number of recommendations that should be adopted. Quotations that follow, unless otherwise indicated, are from this report.

1. Nature of the Program

To call the current Title 31 program one of vocational rehabilitation is something of a misnomer. It should probably be called rehabilitation training since de facto it seems to be a program of subsistence allowance for disabled veterans to pursue college training. If much in the way of services other than college training are provided, it apparently is not known since no accounting has ever been maintained of the number of veterans who get medical or other VA services for VR and the cost of the services. It is difficult to justify a continuation of this practice since a fundamental question in the oversight of any program is: What are its costs?

To further illustrate the point of Title 31 as a rehabilitation training program, consider the fourth eligibility criteria for Title 31 participation: the veteran must be found to be "in need of vocational rehabilitation to restore employability (p. 8)." Closer scrutiny reveals that vocational rehabilitation really means vocational training and other services only to the extent that they are incidental to training. Thus, an essential trigger for Title 31 entitlement is a training-to-employability test, failing which, no other services can be provided. At the termination end, Title 31 entitlement ironically ceases not at the point of employment, but one step short of that -- employability.

In contrast, the state-federal VR program allows any rehabilitation services at any time as long as eligibility criteria are met and these services can be reasonably expected to improve employment potential. A second major difference is that the state-federal program carries the client through to and into employment including placement services, post-employment services, to client and family, etc.

2. Goal of Program

As already indicated, the goal of VAVR is employability, not employment. Contemporary rehabilitation thinking finds this difficult to accept in a program that purports to be one of vocational rehabilitation. What this apparently means is that VAVR is obliged to terminate a client at the point where rehabilitation services may be needed most, i.e., at the transition between being made employable through training and the point of securing employment, adjusting thereto, etc. Again this seems to be more characteristic of a rehabilitation training program rather than a vocational rehabilitation program.

3. Limitation

In comparing Chapter 31 with the state-federal program, one is struck with how much more restrictive is the former.

In all the comparisons I have made, as a service program the state-federal program is much less restrictive; this less restrictive character runs the gamut from eligibility determination, services provision, through to placement and post-employment services.

It is difficult to understand why a program for veterans with a service-connected disability should be more restrictive than its civilian counterpart. As an example, current legislation limits Chapter 31 eligibility to (with some exceptions) 9 years following service discharge. There are no comparable restrictions in the state-federal program. Similarly, with some exception, previous Chapter 31 rehabilitation renders one ineligible for subsequent rehabilitation services. So too does dishonorable discharge. Neither of these restrictions are found in the state-federal program. Even if some of the proposals liberalizing legislation were adopted, there would still be considerably more restrictions in the Chapter 31 program, e.g., extended evaluation would be limited to 12 months with provisions for extension, while the state-federal program's current period of extended evaluation is simply stated as being 18 months. Similarly, duration of rehabilitaion services is limited to 48 months. Again, no such restriction is present in the state-federal civilian program of vocational rehabilitation. Many other examples could be provided.

4. Organizational Context

I recognize that separating vocational rehabilitation and medical services in the Chapter 31 program is congruent with the organizational and administrative structure of the VA. However, I concur with the above-mentioned study of the provisions for veterans' vocational rehabilitation when it states about this organizational arrangement, "However, it is not consistent with the accepted professional view of vocational rehabilitation as a unitary process involving integrated multi-disciplinary services (medical, psychological, social, and vocational) as necessary in the individual case (p. 6)." Such an administrative arrangement raises question about whether or not the integration of medical and vocational services occurs in such a way as to be optimal from the standpoint of the veteran. In this regard, it is my understanding that a GAO report may soon be available, if it is not available already, that will specifically delve into such questions as the degree of cooperation and coordination between the Department of Veterans' Benefits (DVB) and the Department of Medicine and Surgery (DM&S). This report should also, as I understand it, deal with similar issues of communication and cooperation between the counseling psychologist and the vocational rehabilitation specialist; between the VA and the state employment security agencies and other key participants in the vocational rehabilitation process. I will defer to such a report and will be prepared to be pleasantly surprised if it is found that DVB--DM&S cooperation is at its optimal level from the standpoint of effective rehabilitation.

PART III -- COMMENTS ON S.1188
INCLUDING PROPOSED AMENDMENTS BY SENATOR CRANSTON

I endorse this legislation, since it brings about a much needed overhaul for the Chapter 31 vocational rehabilitation program. Specifically, I strongly endorse the following:

1. The enlargement of the purpose operation of the Chapter 31 rehabilitation program beyond that of employability to the actual employment of the veteran in a suitable job, as reflected by the inclusion in the statement of the purposes of Chapter 31, the enablement of the disabled veteran " to obtain and maintain suitable employment." Consistent with this enlargement of purpose, I would also suggest that the Section 1501 definitions read: "the term 'rehabilitated' means employed in the occupation for which a vocational rehabilitation program has been provided under this chapter." As it stands now, the definition of rehabilitated is somewhat incompatible with statement of purpose.
2. The emphasis on expanding training opportunities beyond the current overriding emphasis on academic training is a positive step. Specifically, the mandate that the administrator actively promote developing of on-job training and employment opportunity would represent a welcome enrichment to a program that is so heavily slanted toward an academic orientation.
3. A welcome expansion in rehabilitation services to Chapter 31 trainees is also found in the specific provision for post-placement services and the provision for special assistance to the most severely disabled veterans who require homebound training or self-employment.
4. The specification of a broad scope of services, as well as assistance that the administrator may provide to participants

in Chapter 31 is also desirable providing clear authority for the full range of diagnostic, evaluative, pre-training and other services that the veteran might require in order to find, adjust to, or maintain employment.

5. The "independent living services" provision is also a welcome expansion, making the Chapter 31 program more congruent with the 1978 amendments to the civilian rehabilitation program.

I favor the Cranston Amendment which would provide a clear delineation of the scope of independent living services consistent with that set forth in Section 702 of the Rehabilitation Act of 1973 as amended. In particular, Senator Cranston's amendment, by explicitly permitting the provision of independent living services during the period of pre-training and extended evaluation, would reduce the catch 22 character of current Chapter 31 entitlement which only permits rehabilitation services incidental to the securing of a vocational goal. The catch 22 comes when rehabilitation services, especially for the more severely handicapped, are themselves often required before a vocational goal can be discerned. The provision for independent living services in cases where a veteran's disability is so severe that the achievement of a vocational goal is not feasible, is clearly in order. Otherwise, an individual would be better off being served in the civilian program of vocational rehabilitation than under Chapter 31. The explicit authorization for independent living services concommitant with and in support of vocational training, is clearly sensible and called for.

6. There appears also to be considerable merit in Senator Cranston's Amendment that would delete from S.1188 the requirement (also contained in the House-passed Bill) that the veteran be determined to be in need of vocational rehabilitation service because of an employment handicap.

The Cranston Amendment limiting extended evaluation to those who after initial evaluation are determined to have a serious employment handicap, would mandate the development of an individualized written vocational rehabilitation plan in cases where a serious employment handicap has been found. It is my understanding that the Cranston Amendment would, if the veteran is determined not to have a serious employment handicap, permit the veteran to request counseling, placement, and other authorized services without the need for an individualized vocational rehabilitation plan. Such an amendment seems to have merit because it permits focusing more directly on those who have serious employment handicaps with a potential saving in unnecessary paperwork and administration time.

7. It came as something of a surprise to me to discover a shift in recent years away from use by more severely disabled service-connected veterans of Chapter 31 of vocational rehabilitation and toward the use of chapter 34 GI Bill Education Assistance Allowances instead. It is understood that this shift may in part be due to the net economic gain of chapter 34 method of payment for disabled veterans enrolled in schools (e.g., state-supported institutions) where tuition and fees are low. Personally, I would also wonder whether part of the reason for non-election by disabled veterans of Chapter 31 is that range of services available in the past has been such as not to constitute a particular "draw." In this regard, I would favor the intent of H.R.5288 which, with a 17% cost of living increase for Chapter 31 participants, would narrow the gap between the financial benefits available under Chapters 31 and 34. In addition to reducing financial disparity, I would endorse Senator Cranston's attempt

to make Chapter 31 participation more attractive by providing for a fuller range of services, especially more extensive and direct employment assistance.

SPECIAL ISSUE: Limits on Eligibility & Duration of Services

This area is designated a "special issue" to reflect the particular struggle it represents for vocational rehabilitation. Many rehabilitationists would find it hard to comprehend why the historical and continued need (even in the proposed liberalizing legislation) to place so many limits on Chapter 31. For example, if a previous Chapter 31 rehabilitant, or if more than 9 years have elapsed since discharge, a veteran (with exceptions) is not eligible. There are the time durations as well. No such limits are in the state-federal civilian program. Why? It is recognized that many exceptions are allowed for the above Chapter 31 restriction, but still the question remains: Why the need here and not in the civilian program?

I could be wrong here, but I think part of the answer might rest in the historical linkage of service and subsistence in the Chapter 31 program. No such linkage exists in the civilian program. Here subsistence is awarded only for a very small proportion of clients, usually for short duration and rarely in amounts equal to Chapter 31 subsistence.

Of concern to a rehabilitationist would be the logic for determining time limits to service duration. The logic in the current 48 months (or in the administration's proposed 64 months) has to do with time to completion of undergraduate (plus master's degree training). Such logic, while relevant to a program of rehabilitation training, (see above) may be artificial when the context shifts to comprehensive vocational rehabilitation. Such limits are more comprehensible as an attempt to set reasonable time boundaries for cash assistance. In fact, from a vocational rehabilitation standpoint, it can be reasoned that beyond a certain point cash assistance might actually begin to serve as a financial disincentive perhaps reinforcing a "perpetual student" role identification. Thus the time limits may be advanced as having positive motivational properties when the main service is college education.

But the difficulty comes with applying these limits to *service entitlement*. The natural course of disabilities--particularly more serious ones--may be marked by recurring need for services long after employment has been achieved. In fact, the provision of such services in a timely fashion might spell the difference in whether the veteran keeps or loses his job.

Perhaps a rebuttal here is that, should such periodic need for service arise, there are *other entitlements* that veterans can use to get the necessary services. My response here is two-fold. In theory, a referral to another program for services presents no problem. In practice there is a significant risk of slippage and loss in timeliness of service-delivery. Second if the need for services is such as to affect work, it can be argued that it is preferable to have such service *rendered* in a context that is sensitive not only to the need for the service per se, but to the attendant work implications. For example, the availability of a counselor or VRS to help an employer understand the legitimacy of a request for medical leave by a newly employed disabled veteran may, from the standpoint of work, be as important as the service per se. Just as a disabled veteran can choose between Chapters 34 and 31 educational benefits, would there be some problem if a veteran could be eligible for, say, physical therapy under Chapter 31 and some other entitlement? The cost would presumably be unchanged--only account to which the cost was charged would change.

What I am therefore proposing on the issue of time limitation is a compromise. The compromise consists of breaking the service-subsistence link. Keep the restrictions on subsistence--remove them from services. It is arguable, based on economics and rehabilitation, that some limit should be placed on entitlement to subsistence. However, neither economics nor rehabilitation nor a sense of equity can be summoned to justify limiting services more to people injured in service to their country than to others.

Accordingly, I propose that should eligibility and time duration restrictions be deemed necessary, that they not include service provision. Therefore I suggest:

1. that previous Chapter 31 rehabilitation not be a bar to current eligibility for services only
2. that the 48 (or 64 if the administration's proposal is ultimately adopted) month limitation on service duration exclude rehabilitation services
3. that independent living service eligibility go beyond the 24 month limitation currently proposed in the Senate version
4. time limitation on eligibility be dropped for rehabilitative services particularly since with advancing age, disabilities may become more handicapping from the standpoint of work or independent living.

II

Calendar No. 796

96TH CONGRESS
2D SESSION

S. 1188

[Report No. 96–746]

To improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 21, 1979

Mr. CRANSTON (by request) introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

MAY 15 (legislative day, JANUARY 3), 1980

Reported by Mr. CRANSTON, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

~~That this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1979".~~

~~TITLE I—VOCATIONAL REHABILITATION AMENDMENTS~~

~~SEC. 101. Chapter 31 of title 38, United States Code, is amended to read as follows:~~

~~"CHAPTER 31—VOCATIONAL REHABILITATION~~

~~"Sec.~~
~~"1500. Purpose.~~
~~"1501. Definitions.~~
~~"1502. Basic entitlement.~~
~~"1503. Scope of services.~~
~~"1504. Duration of services.~~
~~"1505. Subsistence allowances.~~
~~"1506. Counseling.~~
~~"1507. Vocational rehabilitation plan.~~
~~"1508. Leaves of absence.~~
~~"1509. Regulations to promote satisfactory conduct and cooperation.~~
~~"1510. Revolving fund loans.~~
~~"1511. Vocational rehabilitation for hospitalized persons and veterans.~~
~~"1512. Training outside the United States.~~
~~"1513. Unpaid training and work experience.~~
~~"1514. Rehabilitation resources.~~
~~"1515. Development of employment and on-job training opportunities.~~
~~"1516. Employment assistance.~~
~~"1517. Staff training and development.~~
~~"1518. Rehabilitation research and special projects.~~

~~"§ 1500. Purpose~~

~~"The Congress of the United States hereby declares that the program created by this chapter is for the purpose of providing all services necessary to enable veterans with service-connected disabilities to attain maximum independence, to become employable, and to obtain and maintain suitable employment.~~

~~"§ 1501. Definitions~~

~~"For the purposes of this chapter—~~

~~"(a) The term 'vocational rehabilitation' means those services which provide all assistance needed for the accomplishment of the stated purposes of this chapter including, but not limited to, diagnostic, medical, social, psychological, economic, and vocational services as are determined by the Administrator to be needed to render a veteran with an employment handicap because of a service-connected disability employable and employed and to enable the veteran to achieve maximum independence.~~

~~"(b) The term 'employment handicap' means a disability the limiting effects of which impair the veteran's ability to prepare for, obtain, or retain employment consistent with the veteran's abilities, aptitudes, and interests.~~

~~"§ 1502. Basic entitlement~~

~~"(a) A veteran shall be entitled to vocational rehabilitation if the veteran—~~

~~"(1) has a compensable service-connected disability incurred in service on or after September 16, 1940;~~

~~"(2) was released from active duty under conditions other than dishonorable or is hospitalized in a military hospital pending final discharge; and~~

~~"(3) is determined by the Administrator to be in need of vocational rehabilitation because of an employment handicap.~~

~~"(b) A previously rehabilitated veteran whose condition has changed to the extent that the veteran requires vocational rehabilitation to enter employment more suitable to the veteran's abilities and aptitudes may receive additional vocational rehabilitation under this chapter as the Administrator deems appropriate.~~

~~**"§ 1503. Scope of services**~~

~~"Services authorized under this chapter shall include:~~

~~"(1) Evaluation of rehabilitation potential, including diagnostic and related services to determine whether the service-connected disability causes a handicap to employment and whether a rehabilitation goal is feasible for the veteran, and to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve rehabilitation potential, as appropriate.~~

~~"(2) Educational, vocational, and personal adjustment counseling.~~

~~"(3) A vocational rehabilitation plan as set forth in section 1507 of this chapter.~~

~~"(4) Vocational and other training services, including individualized tutorial assistance, personal adjustment and work adjustment training, tuition, fees, books, supplies, licensing fees, and other training materials.~~

~~"(5) Treatment for mental and emotional disorders.~~

~~"(6) Medical diagnosis, care, treatment, and hospitalization.~~

~~"(7) Prosthetic appliances, eyeglasses, and other corrective devices.~~

~~"(8) Placement services to effect suitable placement in employment; postplacement services to ensure satisfactory adjustment in employment.~~

~~"(9) Services to the veteran's family as necessary to the veteran's rehabilitation.~~

~~"(10) Special rehabilitation services, including services for the blind and deaf:~~

~~"(A) services such as language training, speech and voice correction, training in ambulation, one-hand typewriting;~~

~~"(B) orientation, adjustment, mobility, and reader services for the blind, and interpreter and other services for the deaf; and~~

~~"(C) telecommunications, sensory, and other technological aids and devices.~~

~~"(11) Subsistence allowance as authorized by section 1505 of this chapter.~~

~~"(12) For the most severely disabled veterans requiring homebound training and/or self employment, essential equipment, supplies, and minimum stocks of materials determined~~

~~necessary to begin employment. The Administrator shall, by regulation, establish criteria and cost limitation.~~

~~"(13) Transportation, as authorized in section 111 of this title, plus a special transportation allowance during training, job seeking, and the initial employment stage for veterans who, because of their handicap, have transportation expenses above those incurred by persons not so handicapped.~~

~~"(14) Work study allowance, as authorized by section 1685 of this title.~~

~~"(15) Loans as authorized by section 1510 of this chapter.~~

~~"(16) Other incidental goods and services, including but not limited to all necessary books, supplies, and equipment determined by the Administrator as necessary to accomplish vocational rehabilitation in the individual case.~~

~~"§ 1504. Duration of services~~

~~"Unless a longer period of time is prescribed by the Administrator—~~

~~"(1) the period of services to evaluate and improve rehabilitation potential of veterans for whom the feasibility of attainment of rehabilitation is indeterminate may not exceed twelve months; and~~

~~"(2) the period of vocational rehabilitation training and associated services authorized under this chapter~~

~~following a finding of feasibility of vocational rehabilitation may not exceed sixty-four months.~~

~~“§ 1505. Subsistence allowances~~

~~“(a) Each veteran shall be paid a subsistence allowance during a certified period of (1) evaluation of vocational rehabilitation potential; (2) vocational rehabilitation training; and (3) postvocational rehabilitation training (not to exceed two months).~~

~~“(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran’s dependency status) opposite the appropriate type of program being pursued as specified in column I:~~

~~“Column I~~	~~Column II~~	~~Column III~~	~~Column IV~~	~~Column V~~
~~Type of program~~	~~No dependents~~	~~One dependent~~	~~Two dependents~~	~~More than two dependents~~
				~~The amount in column IV, plus the following for each dependent in excess of two.~~
~~Institutional training:~~				
~~Full-time~~	~~$241~~	~~$298~~	~~$351~~	~~$26~~
~~Three quarter-time~~	~~181~~	~~224~~	~~263~~	~~19~~
~~Half-time~~	~~120~~	~~149~~	~~176~~	~~13~~
~~Farm cooperative, apprentice, or other on-job training:~~				
~~Full-time~~	~~210~~	~~254~~	~~293~~	~~19~~

"~~Column I~~	~~Column II~~	~~Column III~~	~~Column IV~~	~~Column V~~
~~Type of program~~	~~No dependents~~	~~One dependent~~	~~Two dependents~~	~~More than two dependents~~
~~Unpaid on-job training or work experience in Federal agency:~~				
~~Full-time~~	~~$244~~	~~$298~~	~~$351~~	~~$26~~
~~Evaluation and improvement of vocational rehabilitation potential:~~				
~~Full-time~~	~~244~~	~~298~~	~~354~~	~~26~~

"~~(c) Where the vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to the veteran during the month, directly or indirectly. Based upon such written statements, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just.~~

"~~(d) The Administrator shall define full-time and part-time status in the case of all eligible veterans undergoing vocational rehabilitation under this chapter.~~

"~~(e) Where the veteran pursues a program on a residential basis in a specialized rehabilitation facility, the Administrator is authorized to pay to such facility the full cost of the veteran's room and board and, in addition, to pay to the veteran that portion of the allowance for dependents payable, as~~

~~determined by the veteran's dependency status, under subsection (b) of this section for a full-time institutional program.~~

~~"(f) During the two-month period following a determination of employability, the veteran shall be paid at the rate provided in subsection (b) of this section for the full-time benefits payable for the type of vocational training pursued.~~

~~"(g) A veteran pursuing an unpaid program of vocational rehabilitation training or work experience in a Federal agency under the provisions of section 1513 of this chapter shall be paid the subsistence rate provided in subsection (b) of this section for a full-time institutional program.~~

~~"(h) A veteran pursuing a program of vocational rehabilitation while hospitalized in a Veterans' Administration hospital, or other hospital or facility, or while resident in a Veterans' Administration domiciliary, shall be paid the subsistence rate provided in subsection (b) of this section for the type of training pursued. Subsistence allowance to veterans resident in a Veterans' Administration domiciliary shall be withheld and paid upon discharge under the same conditions as set forth in clauses (1) and (2) of subsection (i) of this section.~~

~~"(i) The subsistence allowance otherwise payable to a veteran pursuing vocational rehabilitation under this chapter, while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:~~

~~"(1) if the veteran has no dependents, the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (b) of this section shall be withheld by the Veterans' Administration for payment to the veteran upon release from incarceration; or~~

~~"(2) if the veteran has dependents, the amount payable at the appropriate rate prescribed in column II of the table set forth in subsection (b) of this section shall be withheld by the Veterans' Administration for payment to the veteran upon release from incarceration (unless the veteran advises the Veterans' Administration in writing that the veteran releases any or all of such withheld funds to the veteran's dependents), and that portion of the allowance payable on account of the veteran's dependents as prescribed in such table shall be paid to the veteran's dependents.~~

~~"(j) Payment of subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.~~

~~"§ 1506. Counseling~~

~~"Subject to regulations which the Administrator shall prescribe, each eligible veteran shall be provided initial counseling and necessary counseling during any period which the veteran is undergoing vocational rehabilitation evaluation,~~

~~vocational rehabilitation training, or posttraining assistance. Such counseling may include vocational, educational, rehabilitation, psychological, personal adjustment, and employment. Where appropriate, family counseling may be provided.~~

~~"§ 1507. Vocational rehabilitation plan~~

~~"(a) Each veteran pursuing a program of vocational rehabilitation shall participate in the planning and decision process in formulating a comprehensive, individualized written rehabilitation plan. Such plan shall include (1) a statement of long range goals and intermediate objectives; (2) a statement of the specific services to be provided and a time schedule for the providing of such services; (3) a projected date for completion of necessary rehabilitation; and (4) objective criteria for evaluating the veteran's progress under the plan.~~

~~"(b) The plan shall be reviewed at least annually and, where determined necessary, modified to meet the needs of the veteran.~~

~~"§ 1508. Leaves of absence~~

~~"The Administrator shall prescribe such regulations as the Administrator deems necessary for granting leaves of absence to veterans pursuing vocational rehabilitation training. During authorized leaves of absence, a veteran shall be considered to be pursuing vocational rehabilitation training.~~

~~“§ 1509. Regulations to promote satisfactory conduct and cooperation~~

~~“The Administrator shall prescribe such rules and regulations as the Administrator deems necessary to promote satisfactory conduct and cooperation on the part of veterans who are receiving services under this chapter. If the veteran fails to maintain satisfactory conduct or cooperation in the rehabilitation process, and the Administrator determines that discontinuance of rehabilitation on that account is necessary, rehabilitation benefits and services will be terminated until such time as it is determined that the basis for the unsatisfactory conduct or lack of cooperation has been removed.~~

~~“§ 1510. Revolving fund loans~~

~~“The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of $400 in any case, to veterans pursuing vocational rehabilitation. Such advances, and advances heretofore made, shall bear no interest and shall be repaid in such installments as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.~~

~~**"§ 1511. Vocational rehabilitation for hospitalized persons and veterans**~~

~~"(a) Vocational rehabilitation may be afforded under this chapter to any person who is hospitalized pending final discharge from the active military, naval, or air service, if such person is otherwise eligible. In such cases, no subsistence allowance shall be payable.~~

~~"(b) Vocational rehabilitation may be afforded under this chapter to veterans who are hospitalized at Veterans' Administration hospitals or domiciliaries or, where feasible, at any other hospital or medical facility.~~

~~**"§ 1512. Training outside the United States**~~

~~"Pursuant to such regulations as the Administrator shall prescribe, vocational rehabilitation training may be provided outside the United States where it is determined that such training is necessary in the particular case to provide the preparation needed to render the veteran employable in a suitable occupation and as is determined to be in the best interest of the veteran and the Federal Government.~~

~~**"§ 1513. Unpaid training and work experience**~~

~~"Notwithstanding any other provision of law, the facilities of any Federal agency may be used to provide unpaid training or work experience as part or all of a veteran's program of vocational rehabilitation when the Administrator determines such training or work experience is necessary to~~

~~accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.~~

~~"§ 1514. Rehabilitation resources~~

~~"(a) For the purpose of providing services under this chapter, the Administrator may—~~

~~"(1) use the facilities, staff, and other resources of the Veterans' Administration;~~

~~"(2) employ additional personnel and experts, as the Administrator deems necessary; and~~

~~"(3) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals. Such use may be procured through contract, agreement, or other cooperative arrangement.~~

~~"(b) A program of vocational rehabilitation (including individual courses) to be pursued by the veteran under this chapter shall be subject to the approval of the Administrator.~~

~~“§ 1515. Development of employment and on-job training opportunities~~

~~“(a) The Administrator shall actively promote the development and establishment of on-job training and employment opportunities for service-connected disabled veterans through direct Veterans' Administration staff outreach to employers and through Veterans' Administration coordination with the Federal, State, and local governmental agencies and appropriate nongovernmental organizations.~~

~~“(b) Under regulations the Administrator may prescribe, payments may be made to employers for providing on-job training to veterans in individual instances when the Administrator determines payments to be necessary to obtain the needed on-job training.~~

~~“§ 1516. Employment assistance~~

~~“(a) A veteran, who is determined to be employable, shall be furnished assistance in obtaining employment suitable to the veteran's handicap, interests, and aptitudes. Such assistance may include (1) direct placement of the veteran in employment; and (2) utilization of placement services of (A) the Rehabilitation Services Administration, Department of Health, Education, and Welfare; (B) the State employment service and the Veterans Employment Service of the Department of Labor; (C) the Office of Personnel Management; and~~

~~(D) any other public or nonprofit organization having placement services available.~~

~~"(b) If a veteran has trained for self-employment under this chapter, the Administrator shall cooperate with the Small Business Administration to assist the veteran to secure a loan for the purchase of equipment needed to establish the veteran's own business. The Administrator may provide license fees required by the veteran to operate the business as authorized by section 1503(4) of this chapter and, where deemed appropriate, may provide the initial tools and equipment required as authorized by section 1503(12) of this chapter.~~

~~"(c) The Administrator may furnish an eligible veteran who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies needed by the veteran but not supplied through the State program or other sources.~~

~~"§ 1517. Staff training and development~~

~~"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation staffs engaged in providing vocational rehabilitation services under this chapter. The objective of such training shall be to ensure that vocational rehabilitation services for veterans are provided in~~

~~accordance with the most advanced knowledge methods and techniques available for the vocational rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training.~~

~~"(b) The Administrator shall coordinate with the Commissioner, Rehabilitation Services Administration, Department of Health, Education, and Welfare in planning and carrying out staff training in areas of joint program concern.~~

~~"§ 1516. Rehabilitation research and special projects~~

~~"(a) The Administrator shall carry out an ongoing program of activities to advance the knowledge, methods, techniques, and resources available for use in veterans vocational rehabilitation. For this purpose, the Administrator shall conduct and provide support for the development and/or conduct of—~~

~~"(1) studies and research concerning the psychological, social, vocational, industrial, and economic aspects of vocational rehabilitation of handicapped veterans including new methods of rehabilitation; and~~

~~"(2) projects which will provide increased resources and potential for accomplishing the vocational rehabilitation of handicapped veterans.~~

~~"(b) For the purpose specified in (a) above, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.~~

~~"(c) The Administrator shall cooperate with the Secretary, Department of Health, Education, and Welfare, regarding vocational rehabilitation studies, research, and special projects of mutual agency concern.".~~

~~SEC. 102. Chapter 34 of title 38, United States Code, is amended by—~~

~~(1) inserting after section 1686 the following new section:~~

~~"§ 1687. Rehabilitation services~~

~~"Any compensable service disabled veteran who is found in need of vocational rehabilitation under chapter 31 of this title may elect to pursue a chapter 31 approved vocational rehabilitation plan under this chapter and may be furnished those services set forth in section 1503 (1), (2), (3), (5), (6), (7), (8), (9), (10), (12), and (13) of this title as necessary to carry out the individual's plan."; and~~

~~(2) amending the table of sections at the beginning of the chapter by inserting~~

~~"1687. Rehabilitation services."~~

~~below~~

~~"1686. Education loans."~~

~~SEC. 103. Section 1795 of title 38, United States Code, is amended by—~~

~~(1) amending clause (4) to read as follows:~~

~~"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";~~

~~(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and~~

~~(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof the following: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of sixty-four months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided by chapter 31 are required to accomplish the purposes of vocational rehabilitation as set forth in that chapter."~~

~~TITLE II—TECHNICAL AMENDMENTS—EFFECTIVE DATE~~

~~SEC. 201. Section 1685(b) of title 38, United States Code, is amended by deleting "30" and inserting in lieu thereof "10".~~

~~SEC. 202. Section 1781 of title 38, United States Code, is amended by inserting immediately after "36" the following: "or subsistence allowance granted under chapter 31".~~

~~SEC. 203. Section 1631(a)(1) of title 38, United States Code, is amended by adding at the end thereof the following: "The thirty-six month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.".~~

~~SEC. 204. The provisions of this Act shall become effective on October 1, 1979, or the first day of the second calendar month following the date of enactment, whichever is later.~~

That (a) this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1980".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—REHABILITATION AMENDMENTS

SEC. 101. (a) Chapter 31 is amended to read as follows:

"CHAPTER 31—TRAINING AND REHABILITATION FOR SERVICE-CONNECTED DISABLED VETERANS

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Periods of eligibility.
"1504. Scope of services and assistance.
"1505. Duration of rehabilitation programs.
"1506. Initial and extended evaluations; determinations regarding serious employment handicap.
"1507. Individualized vocational rehabilitation plan.
"1508. Allowances.
"1509. Entitlement to independent living services and assistance.
"1510. Leaves of absence.
"1511. Regulations to promote satisfactory conduct and cooperation.
"1512. Revolving fund loans.
"1513. Books, supplies, and equipment.
"1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans.
"1515. Vocational rehabilitation outside the United States.
"1516. Rehabilitation resources.
"1517. Employment assistance.
"1518. Personnel training, development, and qualifications.
"1519. Rehabilitation research and special projects.
"1520. Pilot program of independent living services and assistance.
"1521. Veterans' Advisory Committee on Rehabilitation.
"1522. Evaluations after individual unemployability adjudications.

"§ 1500. Purpose

"The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(1) The term 'independence in daily living' means the ability of a veteran, without the services of others or with a

reduced level of the services of others, to live and function within such veteran's family and community.

"(2) The term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities of a veteran.

"(3) The term 'program of education' has the meaning provided in section 1652(b) of this title.

"(4) The term 'program of independent living services and assistance' includes both (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in daily living, including, but not limited to, such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in daily living, and (B) the assistance authorized by this chapter for such veteran.

"(5) The term 'rehabilitated to the point of employability' means rendered employable in the occupation for which a vocational rehabilitation program has been provided under this chapter.

"(6) The term 'rehabilitation program' means (A) a vocational rehabilitation program, or (B) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be reasonably feasible.

"(7) The term 'serious employment handicap' means a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

"(8) The term 'vocational goal' means a gainful employment status that is consistent with an individual's abilities, aptitudes, and interests.

"(9) The term 'vocational rehabilitation program' includes both—

"(A) the services provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including, but not limited to, such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed—

"(i) in the case of a veteran for whom the achievement of a vocational goal has not been determined not to be reasonably feasible, (I) to determine whether a vocational goal is reasonably feasible, (II) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (III) to enable such veteran to achieve maximum independence in daily living, and

"(ii) in the case of a veteran for whom the achievement of a vocational goal is determined to be reasonably feasible, to enable such veteran to become, to the maximum extent feasible, employable and to obtain and maintain suitable employment, and

"(B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.

"§ 1502. Basic entitlement

"An individual veteran shall be entitled to rehabilitation under the terms and conditions of this chapter if such individual—

"(1) is a veteran who has a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; or

"(2) is, pending discharge or release from active military, naval, or air service, hospitalized in a hospital over which the Secretary of Defense has jurisdiction.

"§ 1503. Periods of eligibility

"(a) Unless a longer period of eligibility is authorized pursuant to subsection (b), (c), or (d) of this section, educa-

tional assistance or rehabilitation may not be afforded to a veteran under this chapter after the end of the ten-year period beginning on the date of such veteran's discharge or release.

"(b)(1) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because a medical condition made it infeasible for such veteran to participate in such a program, the ten-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.

"(2) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because (A) such veteran had not met the requirement of a discharge or release under conditions other than dishonorable before (i) a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, (ii) a correction of the military records of the service department concerned under section 1552 of title 10, or (iii) other corrective action by competent authority, or (B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar

to such benefits, the ten-year period of eligibility shall run from the date on which such veteran's discharge or dismissal was so changed, corrected, or modified or the Administrator made such determination, as appropriate.

"(3) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability which is compensable under chapter 11 of this title and such veteran has a serious employment handicap, vocational rehabilitation may be afforded such veteran during the ten-year period beginning on the date on which notification is mailed to such veteran that it has been determined that such disability exists.

"(c) A veteran who is in need of services to overcome a serious employment handicap may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines that an extension of the applicable period of eligibility is necessary for such veteran based upon such veteran's particular employment handicap and need for such services and if—

"(1) such veteran had not previously been rehabilitated under this chapter;

"(2) such veteran had previously been rehabilitated under this chapter but (A) such need for such services has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran previously received vocational rehabilitation under this chapter, or (B) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities; or

"(3) the Administrator determines, under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to carry out the purposes of this chapter.

"(d) A veteran whose disability or disabilities are so severe that the achievement of a vocational goal by such veteran is determined not to be reasonably feasible may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines that an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence in daily living.

"§ 1504. Scope of services and assistance

"(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe, shall include—

"(1) evaluation, including periodic reevaluations as appropriate with respect to a veteran participating in a rehabilitation program, of the potential for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate;

"(2) educational, vocational, psychological, employment, and personal adjustment counseling;

"(3) an allowance and other appropriate assistance, as authorized by section 1508 of this title;

"(4) a work-study allowance as authorized by section 1685 of this title;

"(5) placement services to effect suitable placement in employment, and postplacement services to attempt to assure satisfactory adjustment in employment;

"(6) personal adjustment and work adjustment training;

"(7) vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case;

"(8) loans as authorized by section 1512 of this title;

"(9) treatment, care, and services described in chapter 17 of this title;

"(10) prosthetic appliances, eyeglasses, and other corrective and assistive devices;

"(11) services to a veteran's family as necessary for the effective rehabilitation of such veteran;

"(12) for the most severely disabled veterans requiring homebound training or self-employment, or both homebound training and self-employment, such license fees and essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regula-

tions for the furnishing of such fees, equipment, supplies, and stocks;

"(13) travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage;

"(14) special services related to blindness and deafness, such as—

"(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

"(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

"(C) telecommunications, sensory, and other technical aids and devices; and

"(15) services necessary to enable a veteran to achieve maximum independence in daily living.

"(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796).

"(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

"§ 1505. Duration of rehabilitation programs

"(a) The period of extended evaluation under section 1506(b) of this title for a veteran for whom the reasonable feasibility of achieving a vocational goal is undetermined may not exceed twelve months, except that such period may be extended for additional periods of up to six months each if the Administrator determines that, during the extended period concerned, it is reasonably likely that a determination can be made with respect to such veteran as to whether the achievement of a vocational goal is reasonably feasible.

"(b) Except as provided in subsection (c) of this section, the period of a vocational rehabilitation program for a veteran under this chapter following a determination of the reasonable feasibility of achieving a vocational goal may not exceed forty-eight months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be provided for an additional period not to exceed eighteen months.

"(c) In the case of a veteran who has been determined to have a serious employment handicap, the Administrator may

extend the period of vocational rehabilitation for such veteran to the extent necessary to enable such veteran to achieve a vocational goal if—

"(1) such veteran had previously been rehabilitated to the point of employability under this chapter but (A) such veteran's need for further vocational rehabilitation has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran had been so rehabilitated, or (B) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities; or

"(2) the Administrator determines, under regulations which the Administrator shall prescribe, that such an extension is necessary to carry out the purposes of this chapter.

"(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial increase in a veteran's level of independence in daily living, the period of a program of independent living services and assistance for a veteran under this chapter following a determination that such veteran's disability or disabilities are so severe

that the achievement of a vocational goal is not reasonably feasible may not exceed twenty-four months.

"§ 1506. Initial and extended evaluations; determinations regarding serious employment handicap

"(a) A veteran with a service-connected disability who applies for benefits under this chapter shall be provided with an initial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary to determine whether such veteran has a serious employment handicap and to determine, if reasonably feasible without extended evaluation, whether the achievement of a vocational goal is reasonably feasible for such veteran.

"(b) Where the Administrator has determined that a veteran has a serious employment handicap and that the achievement of a vocational goal is reasonably feasible for such veteran, such veteran shall be provided counseling in accordance with an individualized written plan of vocational rehabilitation developed under section 1507(a) of this title.

"(c) Where the Administrator has determined that a veteran has a serious employment handicap but the Administrator is unable to determine, in an initial evaluation pursuant to subsection (a) of this section, whether or not the achievement of a vocational goal is reasonably feasible, such veteran shall be provided with extended evaluation consisting of the services described in section 1504(a)(1) of this title, such

services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed to achieve a vocational goal and enable such veteran to achieve maximum independence in daily living, and assistance as authorized by section 1508 of this title.

"(d) As expeditiously as possible (and, if applicable, not later than the end of the period of extended evaluation for a veteran under subsection (c) of this section, including any extensions under section 1505(a) of this title), the Administrator shall determine whether the achievement of a vocational goal by such veteran is reasonably feasible. In determining whether the achievement of a vocational goal is reasonably feasible, the Administrator shall resolve any reasonable doubt in favor of determining that such achievement is reasonably feasible.

"(e) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of all services (including employment assistance under section 1517 of this title) and assistance under this chapter to such veteran.

"§ 1507. Individualized vocational rehabilitation plan

"(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(b) of this title. Such plan shall be developed jointly with such veteran, and shall include, but not be limited to (1) a statement of long range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services (which shall include counseling in all cases) and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) the name and business address and telephone number of the Veterans' Administration employee assigned responsibility for the management and followup of the provision of such services and assistance to such veteran.

"(b) The Administrator shall review at least annually the plan formulated under subsection (a) of this section for a veteran, and such veteran shall be afforded the opportunity to participate in each review of such plan. Based on such review, the Administrator shall, jointly with such veteran, redevelop such plan as appropriate.

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"(c) Prior to agreeing to a plan under subsection (a) of this section or to any redevelopment or denial of redevelopment of a plan under subsection (b) of this section, a veteran shall be informed of such veteran's opportunity for a review as set forth in the following sentences. If a veteran does not agree to such plan, redevelopment, or denial of redevelopment, such veteran may submit to the person described in subsection (a)(5) of this section a written statement, prepared by or for such veteran, containing such veteran's objections to such plan and requesting a review of the plan as proposed. The Administrator shall review such statement and the plan as proposed and render a decision on such review not later than ninety days after the date on which such veteran so submits such statement, unless a longer period, not to exceed one hundred and fifty days, is allowed for rendering such decision in certain cases under regulations of the Administrator.

"§ *1508. Allowances*

"(a)(1) Except for a veteran who makes an election under subsection (f) of this section, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of such veteran's participation under this chapter in (A) extended evaluation, or (B) a rehabilitation program.

"(2) A veteran who is determined to have a serious employment handicap and who is determined, at the conclusion of such veteran's pursuit of a program of vocational rehabilitation under this chapter, to be rehabilitated to the point of employability shall be paid a subsistence allowance, as prescribed in this section for full-time training for the type of program that the veteran was pursuing, for two months following the conclusion of such pursuit.

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

"Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two;
Institutional training:				
Full-time	*$265*	*$328*	*$386*	*$29*
Three-quarter-time	*199*	*246*	*289*	*21*
Half-time	*132*	*164*	*194*	*14*

"*Column I*	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
Farm cooperative, apprentice, or other on-job training:				
Full-time	*231*	*279*	*322*	*21*
Extended evaluation:				
Full-time	*265*	*328*	*386*	*29*
Independent living training:				
Full-time	*265*	*328*	*386*	*29*
Three-quarter-time	*199*	*246*	*289*	*21*
Half-time	*132*	*164*	*194*	*14".*

"(c)(1) If the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to such veteran for such month, directly or indirectly. Based upon such written statement, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just in accordance with criteria which the Administrator shall establish in regulations which the Administrator shall prescribe.

"(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1516(a)(1) of this title without pay or for nominal pay shall be paid the appro-

priate subsistence allowance rate provided in subsection (b) of this section for an institutional program.

"(d)(1) The Administrator shall, in accordance with regulations, which the Administrator shall prescribe, not inconsistent with regulations governing the determination of full-time status and part-time status under chapter 34 of this title, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

"(2) A veteran participating in extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

"(e) In the case of a veteran pursuing a rehabilitation program on a full-time residential basis in a specialized rehabilitation facility, the Administrator may, upon the request of such veteran, (1) pay to such facility the cost of such veteran's room and board in lieu of payment to such veteran of the subsistence allowance (not including any portion payable for any dependents) payable under subsection (b) of this section, and (2) pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) To the extent that a veteran who is determined to be entitled to rehabilitation under this chapter has remaining

eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, as part of a vocational rehabilitation program under this chapter but in lieu of the services and assistance described in section 1504(a)(3) (other than an allowance and other assistance under this subsection) and section 1504(a) (7) and (8) of this title, to pursue an approved program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under chapter 34 of this title, if the Administrator approves the educational, professional, or vocational objective chosen by such veteran for such program. In the event that such veteran makes such an election, the terms and conditions applicable to the pursuit of a comparable program of education and the payment of allowances and provision of assistance under such chapter shall be applied to the pursuit of the approved program of education under this chapter.

"(g)(1) Notwithstanding any other provision of this title, the subsistence allowance for a veteran who is pursuing a rehabilitation program under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

"(A) If such veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pay such allowance to

such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such allowance, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran has one or more dependents, the Administrator shall pay such allowance to such veteran's dependent or dependents (or the legal guardian or guardians thereof) designated by such veteran to receive such allowance, but only to the extent that both the veteran and the designated dependent or dependents (or the legal guardian or guardians thereof) so request. To the extent that such veteran does not request the Administrator to pay to a particular dependent of such veteran an amount payable on account of such dependent or such dependent does not join in such request, the amount involved shall not be paid to or accrued by such veteran. The Administrator shall, while such veteran is so incarcerated, withhold any amount of such allowance, not payable on account of a dependent or dependents, that is accrued by such veteran and shall pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such amount, and hold for such veteran, United States Government securities and de-

liver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a rehabilitation program under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(h)(1) Notwithstanding any other provision of this title, the allowance for a veteran who has made an election under subsection (f) of this section and who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

"(A) If such veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay such veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount, and hold for such veteran, United States Government secu-

rities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay such veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to such veteran's dependent or dependents (or the legal guardian or guardians thereof) designated by such veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or the legal guardian or guardians thereof) so request. To the extent that such veteran does not request the Administrator to pay to a particular dependent of such veteran an amount payable on account of such dependent or such dependent does not join in such request, the amount involved, if not payable to such veteran under the first sentence of this subparagraph, shall not be paid to or accrued by such veteran. The Administrator shall pay any excess amount accrued by such veteran to such veteran upon such veteran's release from prison or jail or, at the request of

such veteran, purchase with such excess amount, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(i) Notwithstanding any other provision of this title, in the case of a veteran pursuing a rehabilitation program while receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility, or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the subsistence or (if such veteran has made an election under subsection (f) of this section) other allowance appropriate for the type of training pursued shall, after such veteran has been receiving such care for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) or (h) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly al-

who are pursuing rehabilitation programs under this chapter. If a veteran fails to maintain satisfactory conduct or cooperation, the Administrator may, after determining that all reasonable counseling efforts have been made and are not reasonably likely to be effective, discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstitute such services and assistance only if the Administrator determines that—

"(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

"(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

"§ 1512. Revolving fund loans

"The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of twice the amount of the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in section 1508(b) of this title, to veterans pursuing rehabilitation programs under this chapter. Such

lowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

"(j) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§ 1509. Entitlement to independent living services and assistance

"Where the Administrator has determined under section 1506(d) of this title that the achievement of a vocational goal by a veteran is not reasonably feasible, such veteran shall be entitled, pursuant to the provisions of section 1520 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in daily living.

"§ 1510. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator determines necessary for granting leaves of absence to veterans pursuing rehabilitation programs under this chapter. During authorized leaves of absence, a veteran shall be considered to be pursuing such program.

"§ 1511. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator determines necessary to promote satisfactory conduct and cooperation on the part of veterans

advances, and advances from such fund made before the effective date of the Disabled Veterans Rehabilitation Act of 1980, shall bear no interest and shall be repaid in such installments, as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

"§ 1513. Books, supplies, and equipment

"Any books, supplies, or equipment furnished a veteran under this chapter shall be deemed released to such veteran, except that if the Administrator determines that, because of fault on such veteran's part, such veteran has failed to complete the course involved, the Administrator may require such veteran to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof. Such books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may determine.

"§ 1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

"(a) Services and assistance may be provided under this chapter to an individual who is hospitalized pending discharge from active military, naval, or air service if such indi-

vidual would be eligible for such services and assistance except for the fact that such individual has not been discharged or released from such service. In such cases, no subsistence allowance shall be paid.

"(b) Services and assistance may be provided under this chapter to a veteran who is receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in any other hospital or medical facility.

"§ 1515. Vocational rehabilitation outside the United States

"Pursuant to regulations which the Administrator shall prescribe, a program of vocational rehabilitation under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

"§ 1516. Rehabilitation resources

"(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program without pay or for

nominal pay when the Administrator determines that such training or work experience is necessary to accomplish such veteran's rehabilitation;

"(2) use the facilities, staff, and other resources of the Veterans' Administration;

"(3) employ such additional personnel and experts as the Administrator considers necessary; and

"(4) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

"(b)(1) While pursuing on-job training or work experience under clause (1) of subsection (a) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"(2)(A) Use of facilities, staff, and other resources of the Department of Medicine and Surgery under clause (2) of subsection (a) of this section, to provide rehabilitation services under this chapter, including hospital care and medical services described in chapter 17 of this title, shall, as provided for in a veteran's individualized written plan under section 1507 or 1520(a) of this title, be procured through contract with such department; and the amounts of payments

for such services shall be determined in accordance with current accounting principles used within such department, subject to review and modification by the Administrator with respect to the reasonableness of proposed charges.

"(B) Except as provided in chapter 17 of this title, hospital care and medical services provided under this chapter shall be furnished in facilities over which the Administrator has direct jurisdiction.

"(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall be procured through contract, agreement, or other cooperative arrangement.

"§ 1517. Employment assistance

"(a) A veteran with a service-connected disability who has participated in a vocational rehabilitation program under this chapter or a similar program under the Rehabilitation Act of 1973 and who is determined to be employable shall be furnished assistance (including any assistance necessary to assure that such veteran receives the benefit of any applicable provisions of law or regulation providing for special consideration or emphasis or preference for such veteran in employment or training) in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap. Such assistance may include (1) direct placement of such veteran in employment, (2) utilization of the services of United States employment and training outreach program

specialists under section 2003A of this title, and (3) utilization of the job development and placement services of (A) programs under the Rehabilitation Act of 1973, (B) the State employment service and the Veterans' Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) any other public or nonprofit organization having placement services available. To the extent that resources are available, a veteran without a service-connected disability who has participated in such a similar program and who is determined to be employable may be furnished the assistance described in the preceding sentence.

"(b)(1) If a veteran has completed vocational rehabilitation for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

"(2) The Administrator may, under the terms and conditions set forth in clause (12) of section 1504(a) of this title, furnish a veteran described in such clause who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies as are

determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

"(c) The Administrator shall prescribe regulations, with the concurrence of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. subch. V) and section 2012 of this title, and regulations prescribed thereunder, to authorize payments to be made to employers for providing on-job training to veterans who have been rehabilitated to the point of employability in individual instances where the Administrator determines that such payment is necessary to obtain the needed on-job training or to begin employment. Such payments shall not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity. If any such veteran participates in such on-job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for and entitlement to such allowance, be paid such allowance.

"§ 1518. Personnel training, development, and qualifications

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation personnel en-

gaged in providing rehabilitation services under this chapter. The objective of such training shall be to assure that rehabilitation services for disabled veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

"(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education and the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor in planning and carrying out personnel training in areas of mutual programmatic concern.

"(c) Notwithstanding any other provision of law, the Administrator shall establish such qualifications for psychologists providing evaluation and rehabilitation services to veterans under this chapter and for employees performing the functions described in section 1506(f) of this title as the Administrator determines are necessary and appropriate to assure the quality of rehabilitation programs under this chapter. In establishing such qualifications, the Administrator shall take into account the provisions of section 4105(a)(10) of this title and the qualifications established for

comparable personnel under the Rehabilitation Act of 1973 (29 U.S.C. ch. 16).

"§ *1519. Rehabilitation research and special projects*

"(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

"(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspecis of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

"(2) projects which are designed to increase the resources and potential for accomplishing the rehabilitation of disabled veterans.

"(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education, the Deputy Assistant Secretary

for Veterans' Employment in the Department of Labor, and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

"§ 1520. Pilot program of independent living services and assistance

"(a) During fiscal years 1982 through 1985, the Administrator is authorized to contract with public or nonprofit agencies (including contracting for services under section 1516(b)(2) of this title) with a demonstrated capacity to conduct programs of independent living services for severely handicapped persons to provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter in various geographical regions, to veterans as to whom it is determined that the achievement of vocational goals is not reasonably feasible, who are selected pursuant to criteria prescribed in such regulations, and who have remaining entitlement and periods of eligibility for rehabilitation under this chapter. The Administrator shall, to maximum extent feasible, include in such program substantial numbers of such veterans receiving long-term care in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans. A program of independent living services and assistance for a

veteran shall consist of such services described in section 1504 (a) and (b) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in daily living. Such veteran shall have the same rights with respect to an individualized written plan of services and assistance as are afforded veterans participating in vocational rehabilitation under section 1507 of this title. Any contract for services that are initiated with respect to any veteran prior to the end of fiscal year 1985 may be continued in effect after the end of fiscal year 1985 for the purposes of providing services and assistance to such veteran in accordance with the provisions of this chapter. Programs of independent living services and assistance shall be initiated for no more than five hundred veterans in each of the fiscal years 1982 through 1985, and the first priority in the provision of such programs shall be afforded to veterans for whom the reasonable feasibility of achieving a vocational goal is precluded solely as a result of a service-connected disability.

"(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the programs of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

"(1) the results of a study which the Administrator shall conduct of the accomplishments and cost-effectiveness of such programs, including the extent to

which (A) such programs have met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in daily living as a result of participation in the programs, and (C) costs of care in hospital, and nursing home, and domiciliary facilities have been and may be avoided as the result of such services; and

"(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living services and assistance to veterans for whom the achievement of a vocational goal is not feasible.

"§ 1521. Veterans' Advisory Committee on Rehabilitation

"(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the 'Committee'). The members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not to exceed three years. Service-connected disabled veterans shall constitute not less than one-half of the membership of the Committee, and the Committee shall also include individuals who have distinguished themselves in both the public and private sectors in the fields of rehabilitation medicine,

vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the members of the Committee as the chairperson of the Committee. The Committee shall also include representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, of the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and of the Secretary of Health and Human Services.

"(b) The Administrator shall advise and consult with the Committee on a regular basis with respect to the administration of veterans' rehabilitation programs under this title.

"(c) The Committee shall submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the Veterans' Administration, and shall submit such other reports or recommendations to the Administrator and the Congress as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs.

"§ 1522. Evaluations after individual unemployability adjudications

"Following the adjudication of a claim under chapter 11 of this title of any veteran for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for a comprehensive diagnostic evaluation by Veterans' Administration employees responsible for such evaluations under this chapter when, in the opinion of the Administrator, there exists a potential for the vocational rehabilitation and employment of such veteran.".

(b) The items relating to chapter 31 in the table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are amended to read as follows:

"31. Training and Rehabilitation for Service-Connected Disabled Veterans 1500".

TITLE II—EMPLOYMENT AND EDUCATION AMENDMENTS

SEC. 201. Section 220 is amended by—

*(1) amending the catchline by inserting "**and promotion**" after "**Coordination**";*

(2) inserting after "title" a comma and "and shall actively promote the effective implementation, enforcement, and application of all provisions of law and regulations providing for special consideration, em-

phasis, or preference relating to employment, training, and other related opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title"; and

(3) amending the table of sections at the beginning of chapter 3 by amending the item relating to section 220 by inserting "and promotion" after "Coordination".

SEC. 202. Section 244 is amended by inserting after "Administration" in clause (1) a comma and "and, in cooperation with the Secretary, actively seek to promote the development and establishment of employment, training, and other opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title".

SEC. 203. Section 1652 is amended by—

(1) inserting after "chapter" the first time it appears "and chapter 36 of this title";

(2) striking out in subsection (e) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The";

(3) striking out in subsection (f) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The"; and

(4) striking out in subsection (g) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The".

Sec. 204. Section 1701(a) is amended by—

(1) inserting after "chapter" the first time it appears "and chapter 36 of this title";

(2) striking out in paragraph (9) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The";

(3) striking out in paragraph (10) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The"; and

(4) striking out in paragraph (11) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The".

Sec. 205. Section 1772 is amended by adding after subsection (c) the following new subsection:

"(d) The Administrator shall be responsible for the approval of all programs of training on the job other than those

described in subsection (c) of this section (including apprenticeship programs), and shall exercise this responsibility directly or through agreements with non-Veterans' Administration sources, including those described in section 1771(a) of this title. Pursuant to regulations jointly prescribed by the Administrator and the Secretary of Labor, the Administrator shall actively promote the development of programs of training on the job (including programs of apprenticeship) for the purposes of sections 1777 and 1787 of this title and shall utilize the services of veterans' employment and training outreach program specialists under section 2003A of this title to promote the development of and, as appropriate, approve such programs.".

SEC. 206. Section 1777 is amended by—

(1) amending subsection (a) by—

(A) striking out "Any State approving agency may approve a" and inserting in lieu thereof "A";

(B) inserting "may be approved" after "apprenticeship)";

(C) striking out "it finds that"; and

(D) striking out "subsections (b) and (c)" and inserting in lieu thereof "subsection (b)";

(2) amending subsection (b) to read as follows:

"(b) The Administrator, after consultation with the Secretary of Labor, shall prescribe regulations specifying criteria for the approval of programs of training on the job (including registered and nonregistered apprenticeship training meeting the standards of apprenticeship published by the Secretary pursuant to section 50a of title 29) in order to carry out the provisions of subsection (a) of this section and to assure the appropriateness of the training provided in meeting the purposes of chapters 34 and 35 of this title. Such criteria for a program of training on the job (other than a program of apprenticeship) shall include a certification that—

"(1) the training content and procedures of the course are adequate to qualify the eligible veteran or person for appointment to the job for which such veteran or person is to be trained;

"(2) the wages to be paid the eligible veteran or person (A) upon entrance into training are not less than wages paid nonveterans in the same training position and are at least 50 per centum of the wages paid for the job for which the veteran or person is to be trained, and (B) will be increased in regular periodic increments until, not later than the last full month of the training period, they will be at least 85 per centum

of the wages paid for the job for which such veteran or person is being trained;

"(3) there is reasonable certainty that the job for which the eligible veteran or person is to be trained will be available to such veteran or person at the end of the training period; and

"(4) the job customarily requires full-time training for a period of not less than three months and the length of the training period is not longer than that customarily required by training establishments in the community."; and

(3) striking out subsection (c) in its entirety.

Sec. 207. Section 1787(a) is amended to read as follows:

"(a) An eligible veteran or an eligible person shall be paid a training assistance allowance as prescribed by subsection (b) of this section while pursuing a full-time program of training on the job (including a program of apprenticeship) approved under section 1777 of this title, subject to the conditions and limitations set forth in chapters 34 and 35 with respect to educational assistance.".

Sec. 208. Section 2003 is amended by inserting after "veterans' employment representative" the first time it appears "(and shall assign full-time clerical support to each such representative)".

Sec. 209. (a) Chapter 41 is amended by inserting between sections 2003 and 2004 the following new section:

"§ 2003A. Veterans' Employment and Training Outreach Program

"(a)(1) The Secretary of Labor shall make available to each State, directly or by grant or contract, such funds as may be necessary to support a program of employment and training outreach designed to meet the employment needs of veterans, especially disabled veterans of the Vietnam era. Funds provided to a State shall be sufficient to support the assignment of one veterans' employment and training outreach program specialist for each 5,300 Vietnam-era and disabled veterans residing in such State. Such specialist shall be a veteran, and shall be a disabled Vietnam-era veteran or disabled veteran unless the Secretary finds that a disabled Vietnam-era or disabled veteran is not available, and shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State concerned. Such additional funds as may be necessary to support the reasonable expenses of such specialists for training, travel, supplies, and fringe benefits shall also be made available by the Secretary to the State.

"(2) Specialists assigned pursuant to paragraph (1) of this subsection shall be in addition to and shall not supplant

employees assigned to local employment service offices pursuant to section 2004 of this title.

"(b) Pursuant to regulations prescribed by the Secretary, veterans' employment and training outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for services as follows: to disabled Vietnam-era veterans who are participating in or have completed a program of vocational rehabilitation under chapter 31 of this title; to other disabled veterans; and to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title. Maximum emphasis shall be placed on assisting economically or educationally disadvantaged veterans. Not more than three-quarters of the veterans' employment and training outreach program specialists in each State shall be stationed at local employment service offices in such State. Specialists not so stationed shall be stationed at centers established by the Veterans' Administration to provide a program of readjustment counseling pursuant to section 612A of this title, veterans assistance offices established by the Veterans' Administration pursuant to section 242 of this title, and such other sites as may be determined appropriate in accordance with reg-

ulations jointly prescribed by the Secretary and the Administrator.

"(c) Each veterans' employment and training outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

"(1) Develop job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

"(2) Pursuant to regulations jointly prescribed by the Secretary and the Administrator, promote, develop, and, as appropriate, approve apprenticeship and other on-job training positions pursuant to section 1787 of this title.

"(3) Carry out outreach activities to locate such veterans through contacts with local veterans organizations, the Veterans' Administration, the State employment service agency and local employment service offices, and community-based organizations.

"(4) Provide appropriate assistance to community-based groups and organizations and prime sponsors under the Comprehensive Employment and Training Act in providing services to such veterans.

"(5) Provide appropriate assistance to local employment service offices employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.

"(6) Consult and coordinate with other appropriate representatives of Federal, State, and local programs for the purpose of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.

"(7) Carry out such other duties as will promote the development of entry-level and career job opportunities for such veterans.

"(d) Individuals serving as staff in the Disabled Veterans Outreach Program conducted under title III of the Comprehensive Employment and Training Act on the date of enactment of this section shall be appointed as veterans' employment and training outreach program specialists in the State in which such individual is so serving, unless the Secretary for good cause shown determines that such individual is not qualified for such appointment.

"(e) The Secretary shall administer the program provided for by this section through the Deputy Assistant Secretary for Veterans' Employment.".

(b) The table of sections at the beginning of chapter 41 is amended by inserting after the item relating to section 2003 the following:

"2003A. Veterans' Employment and Training Outreach Program.".

SEC. 210. Chapter 34 is amended by—

(1) striking out in the last sentence of section 1677(b) "$288" and inserting in lieu thereof of "$317";

(2) amending the table contained in paragraph (1) of section 1682(a) to read as follows:

"Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	*$342*	*$407*	*$464*	*$29*
Three-quarter-time	*$256*	*$305*	*$349*	*$21*
Half-time	*172*	*204*	*232*	*14*
Cooperative	*276*	*323*	*367*	*21";*

(3) striking out in section 1682(b) "$311" and inserting in lieu thereof "$342";

(4) amending the table contained in paragraph (2) of section 1682(c) to read as follows:

"Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Basis	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	*$276*	*$323*	*$367*	*$21*
Three-quarter-time	*207*	*243*	*276*	*17*
Half-time	*139*	*162*	*184*	*11";*

(5) striking out in section 1692(b) "$69" and "$828" and inserting in lieu thereof "$76" and "$911", respectively; and

(6) striking out in section 1696(b) "$311" and inserting in lieu thereof "$342".

Sec. 211. Chapter 35 is amended by—

(1) striking out in section 1732(b) "$251" and inserting in lieu thereof "$276"; and

(2) striking out in section 1742(a) "$311", "$98", "$98", and "$10.40" and inserting in lieu thereof "$342", "$108", "$108", and "$11.40", respectively.

Sec. 212. Chapter 36 is amended by—

(1) striking out in section 1786(a)(2) "$311" and inserting in lieu thereof "$342";

(2) amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Periods of training	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	*$249*	*$279*	*$305*	*$13*
Second 6 months	*186*	*217*	*243*	*13*
Third 6 months	*124*	*155*	*180*	*13*
Fourth and any succeeding 6-month periods	*62*	*92*	*119*	*13";*

and

(3) striking out in paragraph (3) of section 1798(b) "$311" and inserting in lieu thereof "$342".

TITLE III—TECHNICAL PROVISIONS; EFFECTIVE DATE

SEC. 301. Section 612(f)(2) is amended by inserting "any veteran for whom medical services are provided pursuant to an individualized written plan of rehabilitation developed under chapter 31 of this title" after "more".

SEC. 302. Section 1781 is amended by inserting "or subsistence allowance granted under chapter 31" after "36".

SEC. 303. Section 1795 is amended by—

(1) amending clause (4) to read as follows:

"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";

(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and

(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof a period and the following new sentence: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section for a period in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided for by such chapter are required to accomplish the rehabilitation purposes set forth in such chapter.".

SEC. 304. Section 1631(a)(1) is amended by adding at the end thereof the following new sentence: "The 36-month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.".

SEC. 305. Section 1682 is amended by adding at the end the following new subsection:

"(h) Notwithstanding any other provision of this title, in the case of an eligible veteran pursuing a program of education while receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in a facili-

ty with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the educational assistance allowance appropriate for the type of training pursued shall, after such veteran has been receiving such care for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility, as appropriate, under the same terms and conditions set forth in subsection (g) of this section, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.".

SEC. 306. Section 1624(a) is amended to read as follows:

"(a)(1) If a participant dies, the amount of such participant's unused contributions to the fund shall be paid to the living person or persons first listed below:

"(A) The beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy.

"(B) The surviving spouse of the participant.

"(C) The surviving child or children of the participant, in equal shares.

"(D) The surviving parents of the participant, in equal shares.

"(2) If there is no such person living, such amount shall be paid to the participant's estate.".

SEC. 307. The authority to make loans in the increased amounts authorized under sections 1512 and 1798(b)(3) of title 38, United States Code, as amended by sections 101(a) and 211(3) of this Act, respectively, shall be effective only to such extent or in such amounts as are provided in appropriation Acts. The preceding sentence shall be effective only if, on the day a bill containing amendments substantively identical to the amendments made by sections 101(a) and 211(3) of this Act to increase the amounts of loans authorized by sections 1512 and 1798(b)(3) of such title is passed by the House of Representatives or the Senate, there is in effect in such body a rule which provides that it shall not be in order in such body to consider a bill containing such amendments unless such bill provides that the authority to make such loans in such increased amounts shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

SEC. 308. (a) Except as provided in subsection (b) of this section, the provisions of this Act shall become effective on October 1, 1980.

(b) With respect to veterans who are participating in a program of vocational rehabilitation under chapter 31 of title 38, United States Code, on September 30, 1980—

(1) individualized written plans of vocational rehabilitation shall be formulated under section 1507 of such title (as amended by section 101(a) of this Act) for such veterans to the extent that and at such times as the Administrator determines that the formulation of such plans is feasible and on the basis of such priorities for the formulation of such plans as the Administrator shall prescribe; and

(2) extensions may be granted a veteran under sections 1503(c) and 1505(c) of such title (as amended by section 101(a) of this Act) without regard to the requirement for a determination of a serious employment handicap.

APPENDIX B

Calendar No. 796

96th Congress } SENATE { Report
2d Session } { No. 96-746

DISABLED VETERANS REHABILITATION ACT OF 1980

REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 1188

May 15 (legislative day, January 3), 1980.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
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Calendar No. 796

96th Congress } SENATE { Report
2d Session } { No. 96–746

DISABLED VETERANS REHABILITATION ACT OF 1980

May 15 (legislative day, January 3), 1980.—Ordered to be printed

Mr. Cranston, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany S. 1188]

The Committee on Veterans' Affairs, to which was referred the bill (S. 1188) to improve and modernize the vocational rehabilitation program provided service-disabled veterans under chapter 31 of title 38, United States Code, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute, and recommends that the bill, as amended, do pass.

* * * * * * *

INTRODUCTION

S. 1188, a bill to amend title 38, United States Code, to improve and modernize the vocational rehabilitation program provided for service-disabled veterans was introduced at the Administration's request, on May 21, 1979, by Senator Alan Cranston, Chairman of the Committee on Veterans' Affairs. On February 19, 1980, the Chairman submitted Amendment No. 1661 to S. 1188.

On February 28, 1980, the Committee held a hearing, chaired by Chairman Cranston, on the bill and the amendment. Those testifying included Guy H. McMichael III, General Counsel of the Veterans' Administration, Robert Humphreys, Commissioner, Rehabilitation Services Administration, Department of Health, Education and Welfare, Dennis R. Wyant, Deputy Assistant Secretary for Veterans' Employment, Department of Labor, Edward A. Densmore, Deputy Director, Human Resources Division, General Accounting Office, Edward V. Roberts, Director, State Department of Rehabilitation, State of California, exports with backgrounds in various aspects of rehabilitation, and representatives of the American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, the Blinded Veterans Association, the Paralyzed Veterans of America, and other concerned organizations.

After carefully reviewing the testimony received by the Committee and the written comments and other documents, the Committee met in open session on April 2, 1980, and voted to report favorably S. 1188 with an amendment in the nature of a substitute. Title I of the bill as reported is derived, with modifications, from Amendment No. 1661, and title II consistent of provisions derived from oversight hearings held in 1979 and 1980 and information and recommendations received by the Committee as part of its continuing oversight responsibilities, as described in the discussion relating to title II, below.

SUMMARY OF S. 1188 AS REPORTED

S. 1188 as reported (hereafter referred to as "the Committee bill" contains three titles: Title I—Rehabilitation amendments; Title II—Employment and education amendments; and Title III—Technical provisions; effective date.

Title I: *Rehabilitation amendments.*—This title would amend title 38, United States Code, by comprehensively restructuring and recodifying chapter 31, relating to rehabilitation programs for service-connected disabled veterans. Included in revised chapter 31 are provisions that would:

1. Provide that the purposes of revised chapter 31 are to provide for all services and assistance necessary to enable service-connected disabled veterans to achieve maximum independence in daily living and, to the maximum extent possible, to become employable and obtain and maintain suitable employment.

2. Provide for basic entitlement to a rehabilitation program under chapter 31 for those veterans who incurred a service-connected disability (or aggravation of such disability) on or after September 16, 1940, and who are released from active military, naval, or air service under conditions other than dishonorable, and for active-duty servicepersons hospitalized pending discharge in a hospital under the jurisdiction of the Secretary of Defense (however, such active-duty servicepersons would not be entitled to receive a subsistence allowance).

3. Extend the basic eligibility (delimiting) period for participation in a program of rehabilitation from 9 to 10 years, with authorization for the Administrator to extend this period (by way of "tolling") if a disability (including a drug or alcohol dependence or abuse disability) made the training infeasible; the veteran had not met the requirement of a discharge or release under conditions other than dishonorable but the nature of the discharge or release was changed (or a statutory bar to benefits was removed) by appropriate authority; or the veteran had not established the existence of a service-connected disability; and provide a full 10 years of eligibility from the date on which the veteran satisfies the nature-of-dicharge requirements or is determined to have a service-connected disability.

4. Expand the current chapter 31 delimiting-period extension relating to nature-of-discharge requirements to include discharges which constitute a bar to benefits so that a full 10 years of chapter 31 eligibility is afforded in cases where the Administrator removes such a bar.

5. Provide for an extension of the period of eligibility for an eligibility veteran with a serious employment handicap if (a) the veteran has not previously been rehabilitated under chapter 31 to the point of employability, (b) the veteran's service-connected disability has worsened so that the veteran is no longer able to perform the functions of the occupation for which the veteran had been rehabilitated under chapter 31 to the point of employability, (c) such occupation has proven inappropriate, or (d) it has been determined that the achievement of a vocational goal for the veteran is not reasonably feasible and that the extension is necessary for the veteran to achieve maximum independence in daily living.

6. Provide for an extension of the period of eligibility, under prescribed regulations, when the Administrator determines such extension is necessary to carry out the purposes of chapter 31.

7. Provide for a broad, expanded range of services and assistance for veterans participating in chapter 31 programs, including the following:

   (a) Evaluation, including periodic reevaluations where appropriate, of a veteran's potential for rehabilitation, and such diagnostic and related services as are needed to determine whether the veteran has a serious employment handicap and whether a vocational goal is feasible for the veteran, and to provide a basis for planning a suitable vocational rehabilitation program, or a program to improve the veteran's rehabilitation potential or independent living status.

(b) Educational, vocational, psychological, employment, and personal adjustment counseling.

(c) A work-study allowance, as authorized by section 1685 of title 38.

(d) Placement services to effect suitable placement in employment and post-placement services to attempt to assure satisfactory adjustment in employment.

(e) Personal adjustment and work adjustment training.

(f) Vocational and other training services and assistance, individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case.

(g) Interest-free loans as authorized by section 1512 of title 38 which are to be repaid in installments by deductions from future payments of compensation, pension, subsistence allowances, educational assistance allowances, or retirement pay.

(h) Medical treatment, care, and services described in chapter 17 of title 38.

(i) Prosthetic appliances, eyeglasses, and other corrective and assistive devices.

(j) Services to a veteran's family as necessary for the effective rehabilitation of the veteran.

(k) Such license fees and essential equipment, supplies, and minimum stocks of materials for the most severely disabled veterans requiring homebound training or self-employment, or both, as the Administrator determines necessary for such veterans to begin employment and determines to be within criteria and cost limitations that the Administrator must prescribe in regulations.

(l) Travel and incidential expenses under section 111 of title 38 and a special transportation allowance to defray extraordinary travel expenses for certain severely disabled veterans during rehabilitation, job seeking, and the initial employment stage.

(m) Special services, related to blindness and deafness, such as: (i) Language training, speech and voice correction, training in ambulation, and one-hand typewriting; (ii) orientation, adjustment, mobility, reader, interpreter, and related services; and (iii) telecommunications, sensory, and other technical aids and devices.

(n) Services necessary to enable a veteran to achieve maximum independence in daily living.

8. Codify the requirement that rehabilitation programs (including individualized courses) pursued by veterans under chapter 31 are subject to VA approval.

9. Provide for an initial evaluation process as necessary to determine whether a service-connected disabled veteran applying

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for benefits under chapter 31 has a serious employment handicap and to determine, if reasonably feasible without extended evaluation, whether the achievement of a vocational goal is reasonably feasible for such a veteran.

10. Provide for a period of extended evaluation of (a) up to 12 months in order to provide services necessary to improve vocational potential and achieve maximum independence in daily living for a veteran who has been determined to have a serious employment handicap but as to whom the Administrator is unable to determine whether or not the achievement of a vocational goal is reasonably feasible; and (b) additional periods of up to 6 months if the Administrator determines that, during the extended period, it is reasonably likely that a determination can be made as to whether a vocational goal is reasonably feasible for the veteran.

11. Require the Administrator to determine, as expeditiously as possible during initial or extended evaluation, the reasonable feasibility of the achievement of a vocational goal and to resolve any reasonable doubt in favor of determining that the achievement of a vocational goal is reasonably feasible.

12. Establish a general duration of 48 months of entitlement to vocational rehabilitation except that a veteran determined to have a serious employment handicap may receive 18 additional months of counseling, placement, and postplacement services.

13. Establish a general duration of 24 months of entitlement for a program of independent living services and assistance for a veteran whose disability or disabilities are found to be so severe that the achievement of a vocational goal is not reasonably feasible, unless the Administrator determines that a longer period is necessary and likely to result in a substantial increase in the veteran's level of independence in daily living.

14. Require the Administrator to formulate jointly with a veteran who has been determined to have a serious employment handicap and for whom it has been determined that the achievement of a vocational goal is reasonably feasible, an individualized written plan of vocational rehabilitation for such veteran, to include (a) a statement of long-range rehabilitation goals and intermediate rehabilitation objectives related to achieving those goals; (b) a statement of the specific services (which must include counseling in all cases) and assistance to be provided the veteran; (c) the projected date for the initiation and the anticipated duration of each such service; (d) objective criteria and an evaluation procedure and schedule for determining whether the objectives and goals are being achieved; and (e) the name and business address and telephone number of the VA case manager for the veteran; to be reviewed at least annually, with the veteran afforded the opportunity to participate in the review; and thereafter, as appropriate, to be redeveloped jointly with the veteran.

15. Provide for a special "appeal process" if the veteran does not agree to either the plan, its redevelopment, or denial of its redevelopment, by requiring that (a) prior to agreeing to the plan or to any redevelopment or denial of redevelopment of the plan, the veteran be informed of the opportunity for a review

and afforded the opportunity to submit a written statement of objections; and

(b) Require the Administrator to review the proposed plan and the veteran's statement and render a decision within 90 days after the veteran submits a statement unless a longer period, up to 150 days, is allowed.

16. Increase by 10 percent the existing monthly subsistence allowance rates for veterans participating in rehabilitation programs under chapter 31; and increase the maximum amount that may be loaned to a chapter 31 participant from $200 to twice the full-time institutional monthly subsistence allowance for a veteran with no dependents (2×$265=$530).

17. Authorize a subsistence allowance to be paid to a veteran during any period, as determined by the Administrator, that the veteran is participating in a rehabilitation program (including either a vocational rehabilitation or program of independent living services and assistance) or extended evaluation; and authorize a subsistence allowance for two post-rehabilitation months for a veteran who has a serious employment handicap and who, at the conclusion of such veteran's pursuit of a program of vocational rehabilitation, has been determined to be rehabilitated to the point of employability.

18. Authorize the Administrator, pursuant to mandated regulations not inconsistent with regulations governing the determination of full-time and part-time status under chapter 34, to define each full-time and part-time status for purposes of the computation of allowances under chapter 31.

19. Authorize a veteran in extended evaluation on less than a full-time basis to be paid a proportional subsistence allowance according to regulations which the Administrator would be required to prescribe.

20. Authorize a veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency without pay, or for nominal pay, to be paid the appropriate rate (full-time, three-quarter-time, or half-time) for an institutional program.

21. Require, where the veteran's vocational rehabilitation includes training on the job, the employer to submit to the VA the monthly statements of the income that the veteran has received from the employer, and authorize the VA to reduce the subsistence allowance payable to the veteran for the months involved to an amount considered equitable and just under regulations that of the Administrator.

22. Authorize veterans participating in rehabilitation programs under chapter 31 who have remaining eligibility for an entitlement to educational assistance benefits under chapter 34 to make an election to receive, in lieu of a subsistence allowance and certain other forms of assistance specified in chapter 31, and GI Bill allowance and assistance equal to that provided to veterans enrolled in training under chapter 34.

23. Authorize the Administrator, upon the request of a veteran pursuing a rehabilitation program on a full-time basis in a specialized rehabilitation facility, to pay the facility for the

cost of the veteran's room and board in lieu of paying the veteran the subsistence allowance (not including any amounts payable to the veteran for dependents) otherwise payable, and pay to the veteran any subsistence allowance amount payable for the veteran's dependents.

24. Modify the method of payment of a monthly subsistence allowance to an incarcerated veteran to (a) require the Administrator, where the veteran has no dependents, to withhold all subsistence allowance payments during the veteran's incarceration and provide for the VA to hold and invest such payments and deliver the funds to the veteran upon the veteran's release from incarceration; (b) where the veteran has one or more dependents, to require the payment of the subsistence allowance to the dependent or dependents designated by the veteran and requested by the veteran; and (c) if the veteran does not request payment to a particular dependent, or the dependent does not join in the request, not to pay the amount to the veteran.

25. Provide for a method of payment of allowances to a veteran participating in a chapter 31 program of vocational rehabilitation who has elected to receive chapter-34-equivalent allowances for the pursuit of training on a half-time or more basis.

26. Modify the method of payment of allowances to a chapter 31 participant who is receiving care in a hospital, nursing home, or domiciliary facility at VA expense.

27. Authorize advance subsistence allowance payments in accordance with the provisions of section 1780(d) of title 38.

28. Authorize the Administrator to prescribe regulations for granting leaves of absence to a veteran pursuing a program of rehabilitation.

29. Authorize the Administrator to prescribe rules and regulations to promote satisfactory conduct and cooperation on the part of veterans pursuing rehabilitation programs under chapter 31.

30. Provide generally for the release to a veteran participating in a chapter 31 rehabilitation program of books, supplies, and equipment that have been furnished to the veteran; and require the return and disposition of such items (or repayment of their reasonable value) when, because of the veteran's fault, he or she has failed to complete the course involved.

31. Authorize the provision of chapter 31 services and assistance to a veteran receiving care in a VA hospital, nursing home, or domiciliary facility, or in any other hospital or medical facility.

32. Authorize, pursuant to regulations of the Administrator, a chapter 31 participant to pursue a program of vocational rehabilitation outside the United States must be in the best interest of the veteran and the Federal Government.

33. Authorize the use—in providing training or work experience as part of a chapter 31 participant's vocational rehabilitation program—of various Federal facilities, staff, and resources; provide that a veteran pursuing on-job training or work experience, in such facilities, as part of his or her vocational rehabilitation program would be considered an employee of the United States for purposes of being entitled to Federal employees workers'

compensation, but not be so considered for purposes of laws administered by the Office of Personnel Management.

34. Authorize the Administrator to employ additional personnel and experts when necessary.

35. Authorize the Administrator, in providing chapter 31 services, to use facilities and services which are maintained by joint Federal and State contributions, private institutions and establishments, and private individuals; and authorize the Administrator to procure such services through contract, agreement, or other arrangement.

36. Authorize the Administration to contract with the VA's Department of Medicine and Surgery (DM&S) for the use of DM&S facilities and services for the provision of rehabilitation services under chapter 31 as provided for in a veteran's individualized written plan of rehabilitation; and authorize reimbursement to DM&S for such services.

37. Require the Administrator to provide employable, service-connected disabled veterans (and to the extent of available resources, veterans without service-connected disabilities) who have participated in a vocational rehabilitation program under chapter 31 or similar program under the Rehabilitation Act of 1973 with a wide range of employment assistance, including direct placement and utilization of various outreach programs and of both Federal and State employment services.

38. Require the Administrator to cooperate with the Small Business Administration to assist veterans who have completed vocational rehabilitation for self-employment in a small business enterprise in securing loans needed to purchase equipment and assure that the special consideration to be afforded veterans under the Small Business Act is actually provided.

39. Require the Administrator to prescribe regulations, with the concurrence of the Secretary of Labor, to authorize payments to employers to defray their direct expenses resulting from the provision of on-the-job training to veterans who have been rehabilitated under chapter 31 to the point of employability.

40. Require the Administrator to provide a program of ongoing professional training and development for VA chapter 31 counseling and rehabilitation services for veterans to assure such services are provided according to the most advanced knowledge, methods, and techniques; and require the Administrator to coordinate with the Rehabilitation Services Administration and the Department of Labor in planning and carrying out personnel training in areas of mutual programmatic concern.

41. Require the Administrator to establish qualifications for chapter 31 psychologists and the VA employees (case managers) assigned responsibility for the management and followup of rehabilitation services to veterans who have a serious employment handicap; and require the Administrator, in establishing such qualifications, to take into account the qualifications required for psychologists employed by the VA's Department of Medicine and Surgery and the qualifications required of psychologists and persons carrying out case-management responsibilities in Federal-

State vocational rehabilitation programs under the Rehabilitation Act of 1973.

42. Require the Administrator to carry out and contract for ongoing research programs for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans.

43. Require the Administrator to cooperate with the Rehabilitation Services Administration and the Institute of Handicapped Research, the Department of Labor, and the Department of Health and Human Services regarding studies, research, and special projects of mutual programmatic concern.

44. Provide for a 4-year (fiscal years 1982 through 1985) pilot program of contract independent living services and assistance in various geographic regions for those severely disabled veterans, up to 500 new individual contracts annually, for whom the achievement of a vocational goal is determined not to be reasonably feasible; and require a report to Congress, not later than September 30, 1984 on the pilot program.

45. Establish a Veterans' Advisory Committee on Rehabilitation, whose members would be appointed by the Administrator from the general public, with at least one-half the membership being service-connected disabled veterans; and require an annual report to the Administrator and the Congress on its assessment and review of VA rehabilitation programs.

46. Require VA vocational rehabilitation personnel to accomplish a comprehensive diagnostic evaluation of a service-connected disabled veteran following the adjudication of the veteran's disability compensation claim for a 100-percent disability rating on the basis of such veteran's individual unemployability, if it appears that the veteran may have the potential for vocational rehabilitation and employment.

Title II: *Employment and education provisions.*—This title is divided into two parts. Part A, "Program Adjustments", would make amendments to chapter 3, Veterans' Administration; Officers and Employees; chapter 36, Administration of Educational Benefits; and chapter 41, Job Counseling, Training, and Placement Service for Veterans. Part B, "GI Bill Rate Increases", would make amendments to chapter 34, Veterans' Educational Assistance; chapter 35, Survivors' and Dependents' Educational Assistance; and chapter 36, Administration of Educational Benefits.

Included in part A of this title are amendments that would:

1. Require the Administrator of Veterans' Affairs to play an increased, active role with respect to advocacy of the effective implementation, enforcement, and application of existing laws and regulations relating to employment, training, and other related opportunities for veterans.

2. Require the Administrator, in cooperation with the Secretary of Labor, to seek actively to promote the development and establishment of employment, training, and other employment-related opportunities for veterans.

3. Make the Administrator directly responsible and accountable for the promotion, development, and approval of programs

of training on the job for the purposes of GI Bill benefits and require him to carry out this responsibility through VA or non-VA sources.

4. Streamline and update the provisions setting forth the criteria for approval of programs of training on the job.

5. Require the provision by the Department of Labor of direct secretarial support to veterans' employment representatives assigned to the States.

6. Establish a new veterans' employment and training outreach program (VETOP) modeled after the successful Disabled Veteran Outreach Program (DVOP).

Included in part B of this title are amendments that would provide for a 10-percent cost-of-living increase in rates of educational assistance and training allowances paid to veterans and eligible persons training under chapter 34 or 35.

Title III: *Technical amendments and effective date.*—This title of the Committee bill would make certain technical amendments and provide that the provisions of the Committee bill would become effective on October 1, 1980. Included in title III of the Committee bill are provisions that would:

1. Provide certain chapter 31 participants with the same eligibility and priority for the receipt of VA outpatient care and the same eligibility for contract outpatient care as veterans with 50-percent service-connected disabilities.

2. Add a reference to chapter 31 subsistence allowance (including chapter-34-equivalent allowances) to the existing provisions barring the payment of chapter 34, 35, or 36 educational assistance allowances to certain Federal personnel receiving training at government expense.

3. Add a reference to the chapter 32 post-Vietnam era veterans' educational assistance program to the listing of VA educational assistance programs under which no person may receive benefits for an aggregate period of more than 48 months; and delete reference to chapter 31 from that listing, but provide that no person may receive assistance under chapter 31 in combination with assistance under chapter 31 in combination with assistance under the listed education programs for a period in excess of 48 months (or the part-time equivalent thereof) unless the Administrator determines that an exception is necessary for rehabilitation purposes.

4. Modify the method of payment of educational assistance allowances to chapter 34 GI Bill trainees while such trainees are receiving care in a community hospital, nursing home, or domiciliary facility at VA expense.

5. Include in the statutory scheme for the distribution of a deceased participant's unused contributions to the chapter 32 post-Vietnam era veterans' educational assistance fund the deceased participant's surviving spouse, children, and parents.

6. Provide for a conditional limitation on the authority to implement the increase proposed in titles I and II in the maximum amounts of VA chapter 31 subsistence loans and chapter 34 education loans.

DISCUSSION

TITLE I: REHABILITATION AMENDMENTS

Background

History of VA Vocational Rehabilitation Programs

Throughout our Nation's history, our people and our Federal Government have shown special concern for meeting the needs of those who are disabled as a result of wartime service in the country's Armed Forces and, more recently, as the result of service in time of either war or peace. Federal assistance to those so disabled has been based upon the national purpose that everything possible should be done to help the disabled veteran readjust to civilian life.

The first effort to provide specifically for vocational rehabilitation began in 1917 when the Congress enacted the War Risk Insurance Act of 1917, Public No. 90, 65th Congress. That Act included, as part of its benefits package for service-connected disabled veterans, general provisions for vocational rehabilitation, without specifying how rehabilitation was to be accomplished.

In 1918, the Vocational Rehabilitation Act, Public No. 178, 65th Congress, was enacted and provided more specific provisions for a service-connected disabled veteran's vocational rehabilitation program. To be eligible to participate in that program, the veteran had to demonstrate an inability to carry on gainful employment or reenter the occupation that the veteran left when entering active service.

Following training, and as part of the program, responsibility for finding suitable employment for rehabilitated veterans was placed upon the Government. The vocational rehabilitation program for World War I disabled veterans terminated in 1928. During the program, approximately 675,000 veterans applied for rehabilitation, of whom approximately half were rated as eligible for rehabilitation training.

On December 12, 1941—5 days after the Japanese attack on Pearl Harbor—President Roosevelt requested the joint efforts of several Federal agencies, including the Veterans' Administration, to study the problems of rehabilitating disabled World War II veterans. Subsequently, in 1943, Congress enacted Public No. 16, 78th Congress, which included provisions for a vocational rehabilitation program for those who incurred service-connected disabilities in active service on or after December 6, 1941, and prior to the termination of hostilities in World War II. The purpose of that program was to restore employability lost by virtue of a handicap due to service-connected disability. A veteran participating in that program was provided with a subsistence allowance and the VA paid tuition and fees for the training that the veteran pursued. By 1950, approximately 550,000 disabled veterans from World War II had benefited from the program.

Shortly after the outbreak of the Korean conflict, President Truman recommended the renewal of the World War II vocational rehabilitation program. Congress responded to this recommendation with the enactment in 1950 of Public Law 894, 81st Congress, and that Act as amended in 1951 by Public Law 110, 82nd Congress, provided a vocational rehabilitation program similar to the World War II program, for veterans who incurred service-connected disabilities and needed to overcome the handicap of a disability incurred or aggravated by such service. However, the disability had to be a direct result of armed conflict or incurred by a serviceperson either while engaged in extrahazardous service or while the United States was engaged in war; and training was required to be completed by participating veterans on or before August 20, 1963.

Thus, vocational rehabilitation legislation historically has been enacted to address the prospective needs of service-connected disabled veterans when the Nation was faced with an existing or potential major military conflict. However, in 1962, with the enactment of Public Law 87–815, vocational rehabilitation benefits were granted to any veteran of World War II and the Korean conflict if he or she had a service-connected disability rated as 10 percent or more disabling and was in need of vocational rehabilitation; and a veteran whose disability was incurred after World War II and at any time other than during the Korean conflict was also made eligible for vocational rehabilitation benefits if his or her service-connected disability was rated as 30 percent or more disabling or, if rated less than 30 percent, if he or she had a pronounced employment handicap.

In 1974, Public Law 93–508, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, liberalized the eligibility requirements for vocational rehabilitation—now, as so liberalized, the current requirements under chapter 31 of title 38—by extending the eligibility to any veteran with a service-connected disability rated 10 percent or more disabling who is in need of vocational rehabilitation, defined as training for the purpose of restoring employability lost by virtue of a handicap due to service-connected disability. This measure made the eligibility requirements of the existing program for both wartime and peacetime veterans comparable to the eligibility requirements of the programs provided to veterans of World War II and the Korean conflict.

From June 1943 through January 1980, a total of approximately 831,700 disabled veterans trained under the VA vocational rehabilitation program. Of those, 621,300 were World War II veterans, 77,000 were veterans of the Korean conflict, 23,600 were post-World War II peacetime veterans who were trained after 1972 when the law was changed to provide for their eligibility, and 109,800 were Vietnam-era veterans. As of the end of January 1980, there were a total of 14,900 veterans in vocational training under chapter 31.

Need for Revision of Current VA Vocational Rehabilitation Program

Throughout the period from 1943 through the present, Congress has enacted various laws, in addition to those mentioned, expanding and making improvements in many aspects of the VA's rehabilitation program and increasing the level of subsistence allowance in light of the inflation that occurred during that period, but the purpose and structure of the program have remained intact, without comprehensive revision. In light of changes in the general field of rehabilitation of handicapped persons since World War II and in light of the enactment of Public Law 93–112, the Rehabilitation Act of 1973, the Senate Committee on Veterans' Affairs has for 6 years had major concerns regarding the need for major revisions in the chapter 31 program.

The Rehabilitation Act of 1973 substantially restructured and redefined concepts regarding handicapped individuals generally and rehabilitation services and training and employment opportunities for them.

Thus, in 1974, in the Committee report to accompany S. 2784, S. Rept. No. 93–907, on page 52, the Committee noted that the vocational rehabilitation chapter and the implementating regulations had many inconsistencies and strongly recommended that the VA thoroughly review chapter 31 for possible legislative and administrative changes, particularly in light of the Rehabilitation Act of 1973.

Again, in 1976, for substantially the same reasons, the Committee—in its report to accompany S. 969, the Veterans Education and Employment Assistance Act of 1976, S. Rept. No. 94–1243, on page 43—urged the VA to conduct a thorough review of the vocational rehabilitation program for possible legislative and administrative changes. The Committee also noted that it expected the Administrator of Veterans' Affairs, in the conduct of the study, to confer with the Commissioner of the Rehabilitation Services Administration in the Department of Health, Education, and Welfare.

However, by 1977, the Committee had received no such recommendations from the VA. Thus, the Committee included in S. 457, the GI Bill Improvement Act of 1977, a provision requiring the Administrator, after consultation with the Commissioner of the Rehabilitation Services Administration in the Department of Health, Education, and Welfare, to submit to the President and the Congress by March 1, 1978, a report of a study of the VA's vocational rehabilitation program under chapter 31.

That provision, as enacted in section 307 of Public Law 95–202, required that the report include the Administrator's recommendations for changes in chapter 31, recommendations with respect to the need for services of vocational rehabilitation specialists to provide chapter 31 trainees with appropriate job development and job placement assistance, recommendations for utilizing the veterans education programs provided for by chapters 32, 34, 35, and 36 to meet the needs of disabled veterans eligible for chapter 31 training, and a description and analysis of the scope and quality of the chapter 31 program in comparison to vocational rehabilitation provided under the Rehabilitation Act of 1973.

That study, entitled "A Study of the Provisions for Veterans Vocational Rehabilitation", submitted on October 5, 1978, as well as a subsequent VA study entitled "Summary Report of the Vocational Rehabilitation (Chapter 31) Program Evaluation", conducted pursuant to section 219 of title 38 and submitted on October 5, 1979, strongly indicate that the present VA vocational rehabilitation program is antiquated and in need of a complete overhaul—rather than piecemeal amendment—to be able to best serve the rehabilitation needs of the most deserving group of veterans—those who are disabled while serving our Nation in its Armed Services.

The VA, in its study and program evaluation, highlighted several areas of the current vocational rehabilitation program as needing new emphasis and attention. The most basic conclusions were that VA vocational rehabilitation programs needed to provide more comprehensive services and that the goal of vocational rehabilitation should be suitable employment, rather than completion of training. The VA also cited needs for improved outreach efforts to seriously disabled veterans, more effective case management and coordination of all vocational rehabilitation services in individual cases, improved, ongoing staff development, and improvements in job assistance, followup activities, and records systems.

In addition, the VA evaluation report emphasized the need for a more aggressive program management approach, including an improved, more structured review and evaluation system.

In 1978 VA report also indicated that, between 1973 and 1977, individuals with disability ratings of 30 percent or greater have increased their use of chapter 34 benefits and decreased their use of chapter 31 benefits in recent years.

Following up on the VA studies, on May 11, 1979, the Administrator of Veterans' Affairs submitted legislation to modernize and make extensive improvements in the chapter 31 vocational rehabilitation program, which was introduced as S. 1188.

Although the VA studies provided much useful information and the Administration-requested bill would do much to make needed improvements in the current vocational rehabilitation program, the Chairman believed that a further, independent study was needed to develop information, in addition to that contained in those studies, on certain major issues before the Committee undertook to make the first comprehensive revisions of the vocational rehabilitation program in more than 25 years. Thus, in a March 1, 1979, letter to the Comptroller General, the Chairman requested that the General Accounting Office conduct an extensive study of the program.

The GAO report submitted on February 26, 1980, entitled "New Legislation and Stronger Program Management Needed to Improve Effectiveness of VA's Vocational Rehabilitation Program" (HRD-80-47), generally affirmed the VA's findings with respect to several problem areas, revealed additional problems, and recommended various administrative and legislative changes.

The GAO's strongest recommendation for change was made in the area of central management. The GAO indicated that the limited effectiveness of the current VA vocational rehabilitation program stems from poor central management and a lack of accountability for program results.

GAO also recommended the implementation of the case-manager concept whereby one person would be assigned the responsibility and held accountable for the veteran's case from point of application through employment placement, including followup services to be provided the veteran.

The methods of VA outreach efforts were also criticized in the GAO report, as was the prolonged time it takes to process applications for those veterans interested in enrolling in the chapter 31 program. Also, according to the GAO, the emphasis of the VA vocational rehabilitation program is primarily on financial assistance rather than on comprehensive rehabilitative services, and followup services are often inadequate.

The VA has indicated its concurrence in most GAO findings and recommendations for administrative action, and a willingness to initiate substantial efforts to improve and streamline the program.

Although the Committee bill provisions place emphasis on affording comprehensive rehabilitation services, provide for the improved management of individual cases involving veterans with serious employment handicaps, and provide for followthrough employment-assistance services following the veteran's completion of vocational rehabilitation, it understands that many factors relating to the administration and management of the chapter 31 program, are beyond the reach of legislation and will have a very critical effect on the future success of VA rehabilitation programs for service-connected disabled veterans. Thus, the Committee is encouraged by the emphasis that the Administrator of Veterans' Affairs, Max Cleland, has placed on VA rehabilitation programs. During the next few years, the Committee plans to monitor very closely the VA's activities in this field.

Committee Bill Provisions

Title I of the Committee bill would restructure chapter 31 of title 38 to update, improve and expand Veterans' Administration rehabilitation programs for service-connected disabled veterans under that chapter.

At the February hearing the Committee received extensive, uncontradicted testimony, that the 37-year-old statutory framework in chapter 31 of title 38 is out of date and badly in need of a thorough overhaul. During the decades since the basic legislative foundation for the VA's vocational rehabilitation was laid, there have been many major advances in rehabilitation concepts and great changes in the role of handicapped individuals in our society. A most significant development in that regard was the congressional enactment of the Rehabilitation Act of 1973 revising and refocusing the Federal-State vocational rehabilitation program and promoting the availability of comprehensive service and educational, training and employment opportunities for seriously handicapped persons. Witnesses generally emphasized the need for a legislative structure that would provide a basis for and foster the provision of a comprehensive range of services through an administrative process assuring that various types of services needed by the individual disabled veteran are provided in a coordinated, effective manner. Thus, the testimony indicated a need for a rehabilitation program capable of meeting the many physical, psychological, and emotional needs that an individual may have following a disabling injury or illness, as well as providing the training and assistance necessary to equip the individual for an occupation or profession that is suited to his or her abilities, aptitudes, and interests.

Various witnesses also emphasized the importance that a rehabilitation program in order to be most effective needed to be able fully to meet the individual's needs at each stage of the process—from the very outset, beginning with outreach to and motivation of the veteran to participate in rehabilitation, through evaluation of the veteran's particular needs, and the planning and provision of services and assistance that the veteran may need to be prepared for an occupation and to function with maximum independence in his or her family and community, and culminating in the obtaining of, adjustment to, and maintenance of suitable employment.

The Committee has fully considered the recommendations of those who testified at the hearing—both with respect to their recommendations regarding the general nature and broad outlines of a statutory framework for the VA's rehabilitation program for service-connected disabled veterans, and with respect to a great variety of specific details that they recommended be incorporated in the legislation. Thus, the Committee bill incorporates many features responsive to specific concerns raised at the hearing and reflects an effort to make provision for truly comprehensive services that will help to assure each eligible veteran of full opportunity for a productive life.

The section-by-section analysis which appears at a later point in this report provides a detailed description of each of the provisions of this title of the Committee bill and the changes made from current law. The following discussion outlines the major purposes of and concepts embodied in the Committee bill.

Scope of services

The Committee bill would specify a broad range of services and assistance that the VA may provide to participants in chapter 31 programs. The intention with respect to specifying such services is to provide clear authority for the full range of diagnostic, evaluative, counseling, pre-training, training, post-placement, and other services that may be needed to assist the veteran in entering and pursuing rehabilitation and in finding, adjusting to, and maintaining employment. This range of services very closely parallels those available to nonveterans participating in a program of rehabilitation in Federal-State vocational rehabilitation program under the Rehabilitation Act of 1973.

As the Administrator explained in his May 11, 1979, letter transmitting the administration-requested legislation, the VA interpretation of current law equates vocational rehabilitation under chapter 31 with training and thus does not provide for pretraining services that may enable a veteran, whose mental or physical disability renders entry into training infeasible, to prepare for entry to a training program. The Committee bill would authorize such services.

In addition, the Committee bill would make clear that the VA may provide, as part of a vocational rehabilitation program, services to enable the veteran to achieve maximum independence in daily living. For many veterans with serious disabilities which impair their abilities to care for themselves, to move about in their homes and communities, and to communicate and deal effectively with others, these so-called "independent living services" are essential to enable them to achieve a maximum level of independent, self-sustaining life in the community, which, in turn, the Committee views as often critical to their ability to find and hold gainful employment in the community. The Committee bill deals specifically and fully with the provision of independent living services both in terms of such services in conjunction with extended evaluation and vocational training as well as through a 4-year pilot program of independent living services and assistance (discussed more fully, below) for those who are determined, at least in the earlier stages of rehabilitation, to be too severely disabled to pursue a vocational goal.

The provision of clear authority for both pre-training, post-training, and independent living services in the Committee bill reflects, in part, the Committee's view that the VA's rehabilitation program should provide an integrated, nonfragmented approach in order to offer seriously disabled veterans the best opportunity to realize their full potentials. Thus, whereas the current VA program under chapter 31 is focused primarily on vocational training and relies on other programs to meet more basic needs relating to the veteran's ability to function, the provision of the Committee bill recognize the importance of providing a unified program of vocational, prevocational, nonvocational, and post-training services and assistance and focus responsibility and accountability on the chapter 31 program and its management and counseling personnel for the success of the entire rehabilitation effort.

Evaluation of rehabilitation potential

For a rehabilitation program to serve an individual veteran fully and effectively, provision must be made for achieving a full understanding of the veteran's disabilities and abilities at the outset and, in appropriate cases, for periodical reevaluations of the veteran's progress and possibly changing needs. The Committee recognizes that in certain cases, because of particularly serious and intractable disabilities, the evaluation process may necessarily be extensive in order to gain a fair assessment of the veteran's capabilities and prospects for rehabilitation and make a valid determination of the type of vocational objective that might be appropriate for the veteran.

Thus, the Committee bill provides both for an initial evaluation, intended to be of brief duration and, where necessary, extended evaluation. In both cases, the basic purpose of evaluation is to assess the veteran's needs in order to provide a basis for planning an appropriate program of rehabilitation. In addition, the Committee bill would specifically require determinations as to whether the veteran has a serious employment handicap and whether the achievement of a vocational goal is reasonably feasible for the veteran. The determination regarding the existence of a serious employment handicap provides the basis for focusing VA counseling and other resources on such veterans (as discussed below); and the determination regarding the reasonable feasibility of a vocational goal provides the basis for the veteran to move on to a vocational rehabilitation program, where such a goal is reasonably feasible, or, where it is not—at least not yet—to pretraining to make it more feasible or to possible participation in the pilot program of independent living services and assistance for which the Committee bill provides.

Where the necessary assessments and determinations cannot be made during initial evaluation, the Committee bill, as noted, provides for a period of extended evaluation—a new concept, drawn from the Rehabilitation Act of 1973, in chapter 31. During extended evaluation, the veteran could be provided, in addition to services of a diagnostic and evaluative nature, services that may be necessary and appropriate to improve the veteran's ability to pursue a program leading to a vocational goal as well as the veteran's ability to live and function independently.

Extended evaluation generally may not exceed 12 months. Where necessary, however, the Committee bill would authorize an extension of up to 6 months if it is reasonably likely that a determination could be made during the period of the extension as to whether a vocational goal is feasible for the veteran. Additional extensions of up to 6 months each would be authorized under the same circumstances. In requiring specific determinations regarding the necessity for extensions at periodic intervals no greater than 6 months, the Committee's goal would be to cause movement toward an end of extended evaluation and, it is to be hoped, toward establishment of a vocational goal whenever feasible.

To assist further in accomplishing this end and to make every attempt to avoid extended evaluation where it is not clearly necessary and to prevent it from becoming a convenient "dumping ground" for difficult cases, the Committee bill would require that determinations as to whether the achievement of a vocational goal is reasonably feasible be made as expeditiously as possible and that any doubt as to whether or not the achievement of a vocational goal is reasonably feasible be resolved in favor of determining that such achievement is reasonably feasible. This provision was adopted by the Committee after receiving forceful testimony at the February hearing from Edward V. Roberts, Director of the California State Department of Rehabilitation, who strongly urged this approach. According to his testimony, which also was endorsed by the other rehabilitation specialists at the hearing, it is very important in the rehabilitation process to start the individual moving as quickly as possible toward a vocational objective in order to avoid the onset of various secondary problems such as alcohol and drug dependence and abuse and depression, and to provide goals that challenge the individual to strive toward achieving the highest levels of independence, education, training, and employment that are reasonably possible.

Individualized written rehabilitation plans

When it has been determined that the veteran has a serious employment handicap and that the achievement of a vocational goal by the veteran is reasonably feasible, the Committee bill would require the development of an individualized written plan of vocational rehabilitation (hereafter referred to as plan).

The plan, which would include counseling in all cases, would also include, but not be limited to (1) a statement of long-range rehabilitation goals and intermediate rehabilitation objectives related to achieving the goals; (2) a statement of the specific services and assistance to be provided the veteran; (3) the projected date for the initiation and the anticipated duration of each such service; (4) objective criteria and an evaluation procedure and schedule for determining whether the objectives and goals are being achieved; and (5) the name and business address and telephone number of the Veterans' Administration employee (case manager) assigned responsibility for the management and followup of the provision of services and assistance to the veterans. The plan would be developed jointly with the veteran and would be required to be reviewed at least annually.

With respect to the requirement that the plan be developed jointly with the veteran, the Commissioner of the Rehabilitation Services Administration and the Director of the California State Department of Rehabilitation both testified at the February hearing that the similar requirement in the Rehabilitation Act of 1973 had been implemented successfully and served to enhance the individual's participation in the rehabilitation process. The Director of the California Department further testified that a joint development of an individual's plan serves as a kind of "contract" between the disabled individual and the agency providing services that holds each party accountable.

Under the Committee bill, the veteran would be afforded the opportunity to participate in the periodic review of his or her plan and, any redevelopment of the plan would be required to be accomplished jointly.

Also, to enhance the quality of the veteran's participation in the development and redevolpment and to provide for a prompt, impartial means for resolving differences over the contents of the plan between the veteran and the VA personnel responsible for its content, the Committee bill would establish an expedited, informal appeal process whereby such differences would be decided by a VA employee in an administrative position superior to those directly responsible for the plan. Before agreeing to any plan or to its redevelopment, the veteran would be advised of this opportunity for the review of the plan and his or her objections to it.

Participants in the pilot program of independent living services and assistance would have the same substantive and procedural rights with respect to an individualized written plan of services and assistance.

Employment assistance

A principal focus of the Committee bill is to enlarge the stated purpose and effective operation of the vocational rehabilitation program under chapter 31 beyond achievement of the employability of the veteran to the actual employment of the veteran in a suitable job and the maintenance of the veteran in employment. Under current law, the stated purpose of vocational rehabilitation is that of "restoring employability, to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability", and present section 1511(5) authorizes the Administrator to "cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons who have received vocational rehabilitation". However, the February 1980 GAO report, as well as the VA studies of October 1978 and 1979, indicate that job placement services, post-placement services to help with the veteran's adjustment in employment, and other post-training followup are seriously deficient under the VA's current program.

The Committee bill includes in the statement of purposes of chapter 31 clear language to make it possible for the veteran "to obtain and maintain suitable employment", and also mandates, rather than merely authorizes, that the Administrator furnish employment assistance to a veteran who has a serious employment handicap and who has been determined to be employable.

The Committee bill would also require such assistance to be provided service-connected disabled veterans who have participated in either vocational rehabilitation under chapter 31 or a similar Federal-State program under the Rehabilitation Act of 1973—and, to the extent of available resources, would authorize help for a veteran without a service-connected disability. The employment assistance to be furnished such veterans under section 1517 of the Committee bill would include a broad range of services such as direct VA assistance in job placement and VA use of the various outreach and job development services provided by other agencies, including the services of veterans employment, training, and outreach program specialists under new section 2003A of title 38, as proposed to be added by section 209 of the Committee bill, Federal-State vocational rehabilitation programs under other public or nonprofit organizations. In addition, the Administrator would be required to provide any assistance needed to assure that the veteran receives the benefit of any applicable special consideration, preference, or emphasis in employment or training for which the veteran is eligible under any provision of law or regulation.

At the February 28 hearing, the Committee received from the General Counsel of the Veterans' Administration, the Commissioner of the Rehabilitation Services Administration, the Department of Education, and the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, very favorable responses to the suggestion that these three agencies work together, utilizing their individual areas of expertise and avoiding duplicative efforts, to assure that the important employment purpose in revised chapter 31 would be carried out.

Various other provisions of the Committee bill are also designed to provide the veteran with maximum, appropriate opportunities for and assistance in seeking employment. Thus, the provision for a special travel allowance for veterans whose disabilities require them to incur extraordinary expenses authorizes the continuation of such an allowance, following the veterans' participation in vocational rehabilitation, while the veteran is seeking employment and during the initial employment phase (new section 1504(a) (13)).

In the cases of the most severely disabled veterans requiring homebound training or self employment, or both, the Committee bill would authorize the provision, within criteria and cost limits that the Administrator would prescribe in regulations, of such license fees, and essential equipment, supplies, and minimum stocks as the Administrator determines to be necessary for the veteran to begin employment. Also, in the case of any veteran who has completed vocational rehabilitation for self-employment in a small business enterprise, the Administrator would be required to cooperate with the Small Business Administration to assist the veteran to secure a loan for the purchase of equipment needed by the veteran to establish his or her own business and to assure that the veteran receives the special consideration provided for veterans in section 8 of the Small Business Act.

The Administrator would also be required to prescribe regulations, with the concurrence of the Secretary of Labor, to authorize the VA to make payments to employers for providing one-the-job training to veterans who have successfully completed vocational rehabilitation under chapter 31. Such payments could be made for the purpose of defraying (and could not exceed) the employer's direct expenses in providing the veteran with an on-job training or employment opportunity.

Finally, the Committee would note that, for veterans who have a serious employment handicap, the bill would make available post-training counseling and placement services for up to 18 months (or longer if specifically determined to be necessary for rehabilitation purposes) in order to help assure that the veteran finds a suitable job and makes a satisfactory adjustment to it.

Independent living

As previously noted in the discussion of the scope of services authorized under chapter 31 as it would be revised by the Committee bill, the Committee bill expressly provides for the provision of independent living services for chapter 31 participants who need assistance in achieving maximum independence in functioning in their communities and families. Thus, a veteran may be provided such services during extended evaluation and vocational training. In the case of some severely disabled veterans, the Committee believes that such services can be extremely valuable to the achievement of a vocational goal because the ability to function independently in the community is very frequently of vital importance to the individual's ability to participate in training and education programs or to obtain and maintain gainful employment.

In the cases of those veterans whose disabilities are so severe that following evaluation it is determined that the pursuit of a vocational goal is not feasible, the Committee bill would entitle such veterans to independent living services and assistance under the 4-year pilot program during fiscal years 1982 through 1985 in various geographic regions. Under this pilot program, the VA would provide up to 500 veterans per year, with independent living services and assistance through contractual arrangements with public or nonprofit agencies with expertise in the provision of such services.

At the February hearing, the Commissioner of the Rehabilitation Services Administration in the Department of Education, testified that indepedent living services are long overdue and would be a highly desirable and important adjunct to the VA's rehabilitation system and could serve important vocational purposes as well. In this connection, the Committee wishes to stress that, although at the time the veteran enters a program of independent living services and assistance it would have been determined that achievement of a vocational goal is not reasonably feasible for the veteran, the possibility of reversing that determination should continue to be reexamined. In fact, the possibility is that, as the veteran attains certain independent living skills his or her potential for vocational training may increase. The Commissioner also stressed in his testimony that the most desirable approach for the VA in carrying out the pilot program would be to contract for such services with programs that have already been established rather than to initiate any parallel program solely from VA resources and personnel.

Thus, the Committee bill would authorize the Administrator to contract with public or nonprofit agencies that have demonstrated a capacity to conduct programs of independent living services for severely handicapped persons. This contract authority would include the authority to contract with the VA's Department of Medicine and Surgery (DM&S). The Committee notes in this regard that this would enable part of the pilot program to be carried out in the very fine DM&S blind rehabilitation centers.

The Committee bill would provide a broad delineation of the scope of independent living services and assistance, by making them coexistive with services and assistance that may be provided under section 702 of the Rehabilitation Act of 1973, as added in the 1978 amendments (Public Law 95-602) to that Act. Thus, under chapter 31, severely disabled veterans would be entitled to the full range of services and assistance—including appropriate accommodations to and modifications of living space, attendant care, and prevention services—that are available to nonveterans under the Rehabilitation Act of 1973.

In order to help the Congress assess the effectiveness of independent living services and assistance to these severely disabled veterans and determine whether they should be expanded to reach all such veterans under chapter 31 and be made a permanent entitlement, the Committee bill would mandate a study by the Administrator focusing on the key aspects of the pilot program and require that a report of the study, including the Administrator's recommendations, be submitted not later than September 30, 1984, the end of the third fiscal year of the 4-year pilot program.

Allowances

In addition to the established subsistence allowances for institutional training and farm cooperative and on-job training—rates which the Committee bill would increase by 10 percent—the Committee bill would establish new rates to correspond with the provisions in the Committee bill that would establish extended evaluation and a pilot program of independent living services and assistance. The full-time rate for each of these new types of programs would be equal to the full-time rate for institutional training as part of a vocational rehabilitation program (as proposed to be increased by 10 percent by the Committee bill).

The subsistence allowance paid to a veteran during vocational rehabilitation is intended to defray his or her living expenses. Since, under this chapter, the VA pays the costs of tuition, fees, books, and other training material, the allowance does not include any amount for such expenses. Thus, chapter 31 subsistence allowance rates are set at amounts lower than the GI Bill educational assistance allowance rates under chapter 34—the full-time institutional-training rate under the chapter 31 subsistence allowance for a veteran with no dependents is $241 ($265 with the 10-percent increase proposed in title I of the Committee bill) and the corresponding institutional-training rates for the chapter 34 educational assistance allowance is $311 ($342 with the 10-percent increase proposed in section 210 of the Committee bill).

These differences in the monetary consequences for the veteran with a service-connected disability in terms of chapter 31 and chapter 34 participation have apparently produced certain unfortunate results. The reports received by the Committee from both GAO and the VA indicated that there has been a definite shift in recent years away from the use by service-connected disabled veterans with severe disabilities of chapter 31 vocational rehabilitation benefits to the use of the chapter 34 GI Bill education assistance allowance. It was reported that many such veterans enrolled in State-supported schools with low tuition and fees elect to train under the chapter 34 program because the educational assistance allowance they receive under that program is substantially higher than the subsistence allowance they would receive under chapter 31, and the fact that the VA would pay their tuition and fees under chapter 31 does not detract from the financial attractiveness to them of chapter 34 benefits when college tuitions are low.

Unfortunately, however, a chapter 34 participant—even though service-connected disabled—is not eligible for counseling and other services available under chapter 31. Thus, the effect of an election of chapter 34 benefits is to cut the veteran off from chapter 31 services which may be of substantial value to his or her rehabilitation and employment.

To eliminate this disparity in the financial attractiveness of chapter 31 and chapter 34 benefits and thus help to assure that disabled veterans recieve the counseling and other services they may need to be successfully rehabilitated, the Committee bill (new section 1508(f)) would permit chapter 31 participants to elect, to the extent that they have chapter 34 eligibility and entitlement, to receive under chapter 31 allowances which are chapter-34-equivalents instead of receiving payment of the subsistence allowance, tuition, and fees, and certain other assistance specified in chapter 31.

The Committee notes that a veteran training under chapter 31—despite the fact that he or she would still be in receipt of levels of benefits prescribed by chapter 34—would still be considered, by virtue of his or her enrollment in the chapter 31 program, an eligible member of a target group—"a vocational rehabilitation referral"—for the purposes of the Targeted Jobs Tax Credit authorized by section 51 of the Internal Revenue Code as amended by section 321 of the Revenue Act of 1978 (Public Law 95-600). This authority provides for a tax credit of up to $3,000 a year to an employer who hires a member of a targeted group.

Focusing of services on veterans with serious employment handicaps

In order to achieve the most efficient use of chapter 31 personnel and other resources, the Committee bill would focus such resources on those veterans likely to have the greater need for services and assistance—those who have a serious employment handicap. Thus, as indicated, during evaluation, a determination would be required as to whether the veteran has such a handicap.

Where it is determined that the veteran has a serious employment handicap, the Committee bill would require that a case manager be assigned to the veteran—to manage and followup on the services and assistance to be provided—that an individualized written plan of vocational rehabilitation be prepared, that the plan provide for counseling services, and that those counseling services actually be provided.

Other veterans would, of course, be eligible for counseling services, and the Committee intends that such services be made available to any chapter 31 participant as necessary. However, there would be no statutory mandate that such services be provided in all cases. Thus, in many cases, unnecessary, routine, perfunctory counseling sessions could be avoided, and the time and efforts of chapter 31 counseling psychologists would be conserved in order to focus them most directly and fully on those who have serious employment handicaps or who, although not so seriously handicapped, feel a specific need for counseling services. This refocusing of counseling resources meets one major GAO recommendation.

TITLE II: EMPLOYMENT AND EDUCATION AMENDMENTS

Part A, "Program Improvements", of title II of the Committee bill would make a series of amendments designed to enhance employment opportunities for eligible veterans. These amendments focus primarily on improvements and expansions of existing programs now conducted by the VA and the Department of Labor.

Part B, "GI Bill Rate Increases", of title II would provide for a rate increase of 10 percent in GI Bill educational assistance allowances.

Part A—Program Improvements

Background

The Committee, in carrying out its continuing oversight responsibilities, has focused on issues related to veterans' employment in a series of hearings this session on Vietnam veterans readjustment. The first four hearings in this series—held in Chicago on January 25, in Los Angeles on January 26, and in Washington, D.C. on February 21 and March 4—have provided the Committee with an extensive review of existing job-training and employment programs and an understanding of where improvements need to be made. The Committee received much testimony indicating that what is needed to meet the employment-related needs of Vietnam-era veterans is not extensive new programs but rather initiatives to provide for more effective and forceful use of existing programs and enforcement of existing laws designed to meet the employment needs of veterans. The Committee also observed that there are substantial prospects for making existing programs and benefits work more productively in helping overcome veterans' employment problems through the development of stronger interrelationships between such programs and benefits so that the advantages of each may serve better to supplement the beneficial aspects of the others. In this context, part A of the Committee bill would make a number of amendments designed to strengthen and improve current efforts in this area.

Committee Bill Provisions

Administrator's increased responsibilities for advocacy and promotion of certain federal programs

Section 220 of title 38, United States Code, currently requires the Administrator to seek to achieve maximum reasonable effectiveness coordination, and interrelationship of all services and programs affecting veterans and their dependents carried out by Federal Government agencies other than the VA and the maximum coordination of those non-VA services and programs with services and programs carried out by the VA. Pursuant to this authority, the VA carries out a variety of initiatives designed to enhance programs and services for veterans and dependents, including coordination with other Federal agencies on the distribution of information pertaining to veterans.

A major current VA undertaking which the VA asserts is carried out pursuant to this authority is the Career Development Center (CDC) project, under which centers have been established on a pilot-project basis in two cities, and 35 new centers are scheduled for operation in 1980. These centers are designed to provide veterans with full career development training, including systematic, comprehensive evaluation, counseling, and referral services. This type of consolidation of multiple efforts to assist veterans should help overcome the many inefficiencies that result from fragmented services and help all of the programs concerned achieve maximum effectiveness. Ironically, however, the Committee notes that the Veterans' Employment Service of the Department of Labor was not involved in the development of the CDC project. Recently, the VA has advised that specific steps have been taken to inform the Veterans' Employment Service and other appropriate agencies about the operations of the centers and to establish appropriate coordination and referral procedures with such agencies. The Committee expects the Administrator to assure that such information and coordination activities are carried out effectively in a way consistent with the asserted underlying section 220 authority.

Section 201 of the Committee bill would build on the existing section 220 authority by expanding the Administrator's responsibilities in connection with various Federal programs to include the active promotion of effective implementation, enforcement, and application of all provisions of law and regulations providing for special consideration, emphasis, or preference relating to employment, training, or other opportunities for veterans. In this regard, the Committee intends that the Administrator assume the role of an active advocate in connection with a wide variety of provisions of law and regulations affecting veterans, particularly those related to employment and training.

Over the years, many provisions of law have been enacted relating to veterans' employment that do not fall within the jurisdiction of the VA. These include such initiatives as the Targeted Jobs Tax Credit (TJTC) enacted by the Revenue Act of 1978 (Public Law 95–600); mandatory listing and affirmative action provisions for disabled and Vietnam-era veterans pursuant to section 2012 of title 38; job counseling, training, and placement services under chapter 41 of title 38 (implemented through the Veterans' Employment Service and indicators of compliance required to be met by the State employment security agencies); veterans preference (under title 5 of the United States Code), veterans readjustment appointments (under section 2014(b) of title 38), and noncompetitive appointments (under section 3112 of title 5) in civil service employment; special consideration for disabled and Vietnam-era veterans in programs conducted under the Comprehensive Employment and Training Act (CETA); and special consideration for veterans in the provision of small business loans under the Small Business Act of 1954, as amended. Each such provision is aimed at helping veterans to prepare for, obtain, or enhance employment, but, with implementation responsibilities scattered among various Federal agencies, a lack of focus has tended to prevent these provisions from being carried out with maximum effectiveness with respect to veterans.

In October 1978, in connection with his Message on the Progress of Veterans of the Vietnam Era, the President announced the establishment of the White House Veterans' Federal Coordinating Committee (WHVFCC), in order to improve the delivery of services to veterans and implement the President's ordered improvements in employment opportunities, educational opportunities, and other veterans' services and benefits. Initially, this seemed to be a promising effort to improve executive branch efforts targeted on Vietnam-era veterans.

However, on a number of occasions, the Committee has sought input from the WHVFCC. On December 21, 1979, the Committee requested specific information from the executive director of the WHVFCC for use by the Committee during a forthcoming series of hearings being conducted on Vietnam veterans readjustment. A response to that request was asked to be provided by January 17. A second request for this information was made in early February. To date, this specific information has not been received.

In addition, the Committee requested the executive director of the WHVFCC to appear and present testimony during the series of hearings. This request was at first ignored and then refused by the executive director on the grounds that White House policy does not permit members of the White House staff to appear before congressional committees. Instead, representatives from various Federal agencies—the VA, the Department of Labor, the Department of Health, Education, and Welfare—have testified at these hearings on their agencies' efforts.

Finally, in a letter dated March 3, 1980, the executive director of the WHVFCC advised the Committee that a status report on the implications of the Presidential Review Memorandum was being prepared and would be transmitted to the Committee shortly. More than 2 months later, this report has not been submitted.

Thus, the Committee is unable to conclude other than that the WHVFCC has failed to achieve any significant gains in terms of interagency efforts to improve services to veterans and serve as a central focus for the Federal Government's responsibilities in this regard. The Committee believes, however, that there continues to be a demonstrated need for coordinated efforts in this area—particularly with respect to employment. Thus, the purpose of this amendment is to establish the VA—the one agency with overall priorities and responsibilities pertaining to the assistance of veterans—as a focal point within the executive branch for promoting the effective implementation, enforcement, and application of these and other provisions of law and regulations aimed at enhancing employment, training, and other opportunities for veterans. The Committee intends for the Administrator, in carrying out this responsibility, to take an increased, active role in assuring that congressional intent with respect to each of these programs is fully carried out.

Section 201 of the Committee bill also would require the Administrator, in carrying out this advocacy responsibility, to place particular emphasis on the needs of service-connected disabled veterans and of other eligible veterans taking into account applicable rates of unemployment and the employment emphasis set forth in chapter 42 (as it is proposed to be amended by section 802 of S. 870 as passed by the Senate in H.R. 5288 on January 24, 1980) which require contractors with the Federal Government to have affirmative action plans for the hiring and promoting of seriously service-connected disabled and Vietnam-era veterans.

The Committee, while recognizing that progress has been made in terms of the employment situation for Vietnam-era veterans generally, is deeply concerned by continuing high rates of unemployment among disabled, younger, and minority group veterans. For example, during the first quarter of 1980, rates of unemployment for young Vietnam-era veterans reached 17 percent. Rates of unemployment for all Vietnam-era veterans under 40 in the first quarter exceeded the comparable rates for 1979—in one case, for Vietnam-era veterans age 25 to 29, by more than 27 percent. Black and other minority group veterans also experienced rates of unemployment exceeding those of their non-veteran peers, as well as those of 1979, during the first quarter.

These veterans and others whose unemployment rates evidence the greatest need for assistance are to receive, under the Committee provisions, particular attention from the Administrator in connection with his proposed new advocacy role.

Administrator's increased responsibilities for promotion of the development and establishment of certain opportunities for veterans

Section 244 of title 38 currently requires the Administrator, in providing outreach services to veterans for the purposes of assuring that veterans receive timely and appropriate assistance in obtaining benefits to which they are entitled, to cooperate with and use the services of various Federal, State, or local organizations. In this connection, the Administrator is required to arrange with the Secretary of Labor for the matching of veterans with appropriate job or job-training opportunities.

Section 202 of the Committee bill would expand upon this authority to require the Administrator, in cooperation with the Secretary of Labor, to seek actively to promote the development and establishment of employment, training, and related opportunities for veterans. In carrying out his promotional responsibility, the Administrator would be required to place particular emphasis on the needs of those veterans also stressed in section 201 and discussed, *supra.*

The Administrator's activities could take a variety of forms—ranging from promotion of effective implementation of the law to actual outreach activities targeted at providers of employment and training opportunities. In this regard, the Committee intends that duplication of existing efforts—such as those conducted by the Department of Labor pursuant to the Secretary's responsibilities as set forth in section 305 of CETA to provide for an outreach and public information program to promote maximum job opportunities for veterans—will be minimized and that maximum coordination will be sought by the Administrator in carrying out this expanded responsibility.

Taken together, sections 201 and 202 are intended to make explicit the authority of and responsibility for the Administrator to be an active participant in policymaking regarding veterans employment needs. The Committee does not intend that the functions of other agencies should be usurped by the Administrator but rather that such functions be supplemented by the VA and that the Administrator take an active and forceful role in advocating and stimulating the implementation of employment-related initiatives.

Improvements in the VA's program of training on the job

Since 1944, the GI Bill has provided a program of assistance to veterans and other eligible persons (spouses and dependent children of veterans with service-connected disabilities rated permanently and totally disabling and of veterans who have died from service-connected causes) under which they may elect to use their GI Bill benefits for pursuit of a program of training on the job. Eligible trainees may choose to train in an apprenticeship or other on-job training position. Apprenticeship training seeks to train a worker in the full-range of a craft; other on-job training generally seeks to bring an individual in a shorter time to an acceptable skill level for a particular job.

Under these programs, a VA-approved employer must assure the veterans or eligible person of a permanent job upon successful completion of the training program. During the training period, the employer pays the trainee less than the regular wage and the VA pays a training assistance allowance that is reduced at 6-month intervals. The monthly training assistance allowances, currently and as title II, part B, would propose to increase them by 10 percent, for the pursuit of training on the job are set forth in the following table:

TABLE 1.—GI BILL ALLOWANCES FOR PROGRAMS OF TRAINING ON THE JOB (SEC. 1787(b) OF TITLE 38)

	Existing law				S. 1188 (title II, part B)			
	No dependents	1 dependent	2 dependents	Each additional dependent	No dependents	1 dependent	2 dependents	Each additional dependent
Periods of training:								
1st 6 months	$226	$254	$277	$12	$249	$279	$305	$13
2d 6 months	169	197	221	12	186	217	243	13
3d 6 months	113	141	164	12	124	155	180	13
4th and any succeeding 6-month periods	56	84	108	12	62	92	119	13

Programs of training on the job have been successful in assisting veterans in reentering the labor market following military service that has often provided few civilian skills. Such programs are also valuable to veterans whose experiences in the labor market since service have resulted in limited career potential and marginal-skill jobs.

The Committee, in its review of veterans' employment and training assistance programs, has noted three characteristics of apprenticeship and other on-job training programs: Participation rates have been relatively low; the programs have been quite successful for veterans who participate in them; and the costs of approving training-on-the-job positions for purposes of the use of GI Bill benefits have been very high.

Of the 5.1 million Vietnam-era veterans who have participated in the current GI Bill through fiscal year 1978, only 465,227—or 9.1 percent—have participated in full-time programs of training on the job. In fiscal year 1979, an estimated 84,000 veterans participated in programs of training on the job, more than 10 percent less than the 93,600 who participated in fiscal year 1978. There has been a continual decline in the number of veterans participating in this type of training since 1974 when almost 129,000 were enrolled in such programs.

A variety of factors account for the low and declining rates of participation. The dropoff in recent years parallels the decline in overall GI Bill participation rates, which can generally be attributed to constantly increasing numbers of Vietnam-era veterans who have completed their pursuit of training under GI Bill programs and have taken their places in permanent employment, and to the effect of the 10-year delimiting period on the declining numbers of veterans who have educational assistance eligibility remaining. The impact of an economic downturn also adversely affects levels of participation in this kind of program as the job market constricts. As unemployment rates rise, new opportunities for training programs decrease, often very sharply as they did during the 1975 recession. The Committee also believes that a rather slow-moving administrative process resulting in lengthy delays from the point at which the employer or veteran first applies for participation until the VA issues the first training allowance has also depressed participation rates.

In a 1978 General Accounting Office (GAO) study, entitled "Veterans Response to GAO Questionnaires on the Operation and Effect of VA Educational Assistance Programs under 38 U.S.C. 1651", apprenticeship and other on-job training programs were found to have an outstanding record of success for those who participated in them; 85 percent of the Vietnam-era veterans who trained under the GI Bill in apprenticeship programs and 77 percent who trained in other on-job training programs stated they had achieved their primary training objective. By comparison, only 56 percent and 49 percent of those who enrolled in undergraduate college and vocational technical programs, respectively, thought they had achieved their primary training objective.

The GAO also found that 89 percent of those who completed apprenticeship training were placed in jobs related to their training and that 86 percent of those who completed other on-job training programs found related employment.

With respect to the costs of approval of programs of training on the job, the Committee notes a report prepared for the VA pursuant to Public Law 95–202 by the National Academy of Public Administration Foundation, entitled "GI Course Approvals", which contains an extensive discussion of the approval process for programs of training on the job. In that report, the Academy stated:

> On-the-job approvals are costly. Some 43 percent of the contract costs of State approval agencies in 1978 were attributable to the on-the-job and apprenticeship approvals for 93,578 trainees, or about $60 per trainee compared to $5 for each trainee at an educational institution.

The report discusses in depth a variety of issues related to the approval of programs of training on the job, including apprenticeship registration, the requirements for a progressive wage scale and for determinations of prevailing wage rates, and the lack of uniform and objective approval criteria for programs of training on the job.

Sections 205 through 207 of the Committee bill would make a series of amendments, related to the VA's program of training on the job, designed to streamline the approval process and provide for increased participation in the program by both employers and veterans.

Under current law, responsibility for approvals of programs of training on the job generally resides with State approving agencies (SAA's). Approvals of apprenticeship training programs by SAA's are made pursuant to standards of apprenticeship published by the Secretary of Labor pursuant to section 50a of title 29, United States Code. Other on-job training programs must meet criteria set forth in present section 1777 of title 38 which include detailed specifications relating to wages, length of training, and training content.

The procedures used by SAA's in approving programs are generally consistent among SAA's. The process usually begins when an expression of interest in the program is received by the SAA from an employer or a veteran. An initial site inspection/approval visit is then conducted by the SAA in order to assure that the criteria set forth in law and regulations are met. The SAA assists the employer in making the application and in selecting job titles and wage schedules, and assists the employer and the veteran in completing necessary documentation. Thereafter, the SAA submits the documentation to the VA so that benefits may be awarded. This process takes an average of 4 weeks or less. Approvals for additional trainees by an already-approved employer are generally made in the same fashion. SAA's visit each active employer or business establishment at least once a year and, in some cases, twice.

In 1971, the VA launched an extensive outreach campaign to create new opportunities in these training positions. Regional VA offices were instructed to utilize employees from its Adjudication Division to make contacts with potential employers. SAA's were instructed to approve training positions prior to the time a veteran was available to fill the position so as to reduce the interval between the time a veteran was matched with a position and the time the first benefits check was received. Emphasis was placed on smaller businesses, and notices of new opportunities were to be disseminated quickly to the U.S. Employment Service so that qualified applicants could be sought. The VA made additional funds and employee-years available for this outreach campaign, and the initiative was successful in expanding training positions for veterans and contributed to the peak enrollments in 1974.

Since that time, however, the VA's program of training on the job has ceased to be a priority. Outreach and promotional efforts are virtually nonexistent, and the program has been criticized by congressional committees on a number of occasions, particularly for lack of coordination between the VA and the Department of Labor in terms of referring eligible veterans for open positions despite attempts to provide for such coordination through an interagency agreement.

Section 205 of the Committee bill would amend section 1772 of title 38 in order to make the Administrator directly responsible for the promotion, development, and approval of programs of training on the job. The Committee believes that the Administrator should be more actively involved in efforts in this area and should have a more visible role, especially in terms of developing and promoting opportunities.

In this connection, the Committee notes that, on January 24, 1980, the Senate approved the proposed "GI Bill Amendments Act of 1980" (S. 870/H.R. 5288) containing a provision for a targeted delimiting date extension for the use of GI Bill educational benefits by certain Vietnam-era veterans. Under that legislation, an eligible Vietnam-era veteran with entitlement to educational benefits remaining could have up to 3 additional years to use those benefits for pursuit of a program of training on the job. The Committee believes that in this context, the Administrator's increased responsibilities would be especially important in helping to assure that maximum opportunities are made available for unemployed and underemployed Vietnam-era veterans, reaching the end of their delimiting periods, who could benefit from that extension.

The Committee stresses that the basic purpose of the amendment proposed by section 205 is to increase the accountability of the Administrator with respect to programs of training on the job. The Committee is concerned by reports of lack of uniform and objective approval criteria for approval of programs. The October 1979 VA-submitted report notes that "intrepretations and application of statutory requirements differ from one VA regional office to another. A Central Office advisory opinion is often given only to the regional office requesting it, and different judgments by different regional staff . . . cause confusion and frustration . . .". The Committee believes that by making the Administrator directly accountable—to the Congress and the public—for the development, promotion, and approval of programs, much of the confusion and frustration—which eventually adversely affects the veteran trainee—can be avoided.

The provisions of section 205 of the Committee bill would specify that the Administrator, in carrying out responsibilities with respect to promotion, development, and approval of programs, could utilize both VA and non-VA sources, including the SAA's. The Committee is aware that SAA's have been involved in approval of training programs for over 30 years and have developed much valuable expertise. The Committee expects that the Administrator would make the necessary arrangements to gain the benefit of this experience and expertise so that approvals will be made in the most efficient and effective manner possible.

Additionally, the Committee bill provisions would require the Administrator to utilize the services of the new veterans' employment and training outreach program specialists (discussed below) in carrying out those responsibilities. The Committee expects that this involvement would also result in the development of increased job-training opportunities for veterans.

Section 207 of the Committee bill would make a series of amendments to section 1777 of title 38 dealing with the criteria for approval of programs of training on the job. When the present criteria were enacted in 1967, they were based on criteria drawn from the original provisions of the World War II GI Bill. Since that time, the Federal Government—and particularly, the Departmet of Labor—has accumulated extensive experience and expertise with programs of training on the job—most recently under such authorities as CETA and the Manpower Development and Training Act of 1964.

In light of that experience, the Committee believes that the criteria for approval of programs of training on the job should be made more realistic in terms of the labor market of the 1980's by drawing on the experiences of both the VA and the Department of Labor. Thus, the Committee bill would require the Administrator and the Secretary to jointly prescribe regulations for approval of programs.

The proposed legislation would simplify the present criteria while retaining the safeguard relating to wages, appropriateness of training, and assurances of future employment. In addition, the Committee bill would reduce, from 6 months to 3 months, the minimum length of VA on-job training programs for which GI Bill benefits may be used, and remove the 2-year maximum limitation on the training period for such programs. The Committee believes that in some cases valid and valuable training may be accomplished in less than 6 months and expects that criteria developed for approval of such shorter training will assure its value. It notes that under the Help through Industry Retraining and Employment (HIRE) program—one of the components of the President's economic stimulus package of 1977, under which employers were reimbursed for their training costs in hiring veterans and other eligibles—the *maximum* length of training is 6 months. Since that is the *minimum* length of training under the present VA program, very few linkages of the two programs—which would result in benefits to both employers and veterans—have been developed. Quality job-training opportunities have been developed under the HIRE program—although not nearly as many as the Committee had hoped—and the failure to develop effective linkage between the two initiatives is thus disappointing and wasteful. These linkages should be improved as a result of the shorter minimum period proposed in the Committee bill.

With respect to the removal of the 2-year maximum on other than apprenticeship training, the Committee likewise believes that there may be valid programs of training requiring more than a 2-year training period—such as those in the allied health fields. The maximum training period would of course, be limited to the veteran's months of entitlement up to a maximum of 45 months.

In this regard, the report submitted by the VA, "GI Course Approvals", indicates that some VA officials believe the duration of a training program is often determined "backwards, assigning arbitrary lengths of time to each portion of training so that the portions add up to the whole—usually, the maximum permissible time of two years." The report further notes that SAA staff report that "[e]mployers, especially in small companies, may not want to go through the approval process for a 6- to 12-month program." Thus, they design a program of the maximum 2-years' duration.

The suggestion was made in the report that "a more realistic training period should be arrived at by listing the skills and knowledge to be mastered, relying on the [Labor Department's] *Dictionary of Occupational Titles* definitions, and then allocating a reasonable amount of time to each skill."

The Committee believes that this suggestion has merit and expects that, in developing criteria for the approval of programs of training on the job, the Administrator and the Secretary will address this issue, particularly with respect to the approval of programs of on-job training of less than 6-months and greater than 2-years' duration, so that appropriate periods of training will be determined for individual cases. In addition, the Committee expects that the streamlining of the approval process will encourage employers to seek approval of valid on-job training programs of shorter duration.

The Committee bill would also delete from present section 1777(c) certain specified criteria for the approval of a program of training other than apprenticeship training. These criteria include requirements for related instruction; adequate space, equipment, instructional material and personnel; and adequate records of the trainee's progress. The delation of these criteria is designed to provide greater flexibility but not to relax necessary quality-control standards for approval of a training establishment. In prescribing the required regulations regarding training procedures as part of implementing this section, the Administrator and the Secretary should take into consideration whether some or all of the deleted criteria are necessary to assure the value of the training.

The Committee wishes to note in this regard that prime sponsors under CETA are required to develop maximum feasible linkages between their programs and the VA's program of training on the job. It is anticipated that the criteria developed by the VA and the Labor Department would result in increased implementation of this requirement. The Committee does not expect that all on-the-job training programs approved under CETA would be approved automatically for VA benefits but does expect that the criteria will provide for the joint approval, with increased efficiency, of more quality training positions.

The Committee stresses that it plans to monitor very closely implementation of these new provisions related to programs of training on the job. The Committee expects that there will be a substantial increase in the number of veterans training and employed as a result of these amendments, but intends that such an increase not be made by lowering the quality of the training experience itself or diminishing the benefit to the veterans of participation in the program.

Secretarial support for State veterans' employment representatives

Section 2003 of title 38 requires the Secretary of Labor to assign to each State a veterans' employment representative (SVER). In addition, the Secretary is required to assign an assistant veterans' employment representative for each 250,000 veterans residing in the State. These representatives are Federal employees of the Veterans' Employment Service of the Department of Labor.

In 1979, in connection with the President's fiscal year 1980 budget, the Department of Labor proposed to eliminate all of the 52 secretarial positions in the offices of the SVER's and to offset the impact of these cuts by having each State employment security agency (SESA) provide secretarial and clerical assistance to the SVER attached to it.

This proposal was criticized widely by many individuals, organizations, and members of Congress on the grounds that it would severely undermine the work of the SVER's. Nine members of the Veterans' Affairs Committee joined in a letter to Secretary of Labor Ray Marshall regarding these proposed cuts on March 6, 1979, urging reconsideration of the proposal to eliminate secretarial support for the SVER's. Secretary Marshall responded to that letter on April 3, 1979, indicating that while no incumbent would be removed from a secretarial position, the Department's plans to require SESA's to provide secretarial assistance had not been modified. Chairman Cranston subsequently wrote again on May 1, 1979, to Secretary Marshall raising additional concerns and Secretary Marshall responded on May 30, 1979, further clarifying the Department's plans to implement the proposed elimination of secretarial support to the SVER's.

This proposed cutback was also the focus of extensive questioning by Senator Strom Thurmond and the Chairman at an oversight hearing of the Committee on May 23, 1979, focusing on veterans' employment. Again, no modification of the Department's proposal was forthcoming.

Subsequently, an amendment directing the Secretary to continue to provide direct secretarial support to the SVER's, offered by Senator Quentin Burdick, to the Labor-HEW Appropriation Act for Fiscal Year 1980, and agreed to by the Senate Committee on Appropriations, was incorporated into law by reference in Public Law 96–123, enacted on November 20, 1979. This had the effect of blocking the implementation of the Department's proposal for fiscal year 1980.

On February 2, 1980, Senator Thurmond introduced S. 2308, a bill to amend section 2003 of title 38, United States Code, to provide for the assignment of clerical or secretarial employees to assist veterans' employment representatives assigned to the States. The purpose of this bill was to codify in law a requirement for direct secretarial support for the SVER's and to assure that no elimination of such support would occur in the future. The measure is cosponsored by all Members of the Committee, as well as Senator Dole.

During Committee consideration of S. 1188, a provision derived from S. 2308, was incorporated into title II of the Committee bill as section 208, to amend section 2003 of title 38 to require the Secretary of Labor to assign to each SVER direct full-time clerical support and assure that this support is continued and protected against any proposed cutbacks in the future.

Veterans employment and training outreach program.

In January of 1977, the Department of Labor unveiled a three-pronged intiative designed to reduce the high rates of unemployment among Vietnam-era and disabled veterans. The three components of the initiative, which were part of the President's economic stimulus package, were the Help through Industry Retraining and Employment (HIRE) program, a 35-percent new-hire goal for Vietnam-era veterans in public service jobs under title II and VI of CETA, and the Disabled Veteran Outreach Program (DVOP).

Under the DVOP program, nearly 2,000 disabled veterans were hired with Federal funds (totaling $26 million) by State employment security agencies (SESA's) in the spring and summer of 1977, and assigned to local employment service offices. DVOP units were established in 100 of the Nation's largest cities with every State supplied with a DVOP capability on a State-wide basis if it had no large cities.

The primary mission of the DVOP program is to identify disabled veterans in need of employment assistance and help them to obtain needed employment services, including counseling, job development, and placement. The program's design is to locate and help find jobs for disabled veterans—primarily those from the Vietnam conflict—through th use of formerly unemployed disabled veterans working as DVOP staff who understand the needs of other veterans in the same predicament and can serve as models demonstrating to employers how well disabled veterans can work when given a chance.

DVOP staff receive both classroom and on-the-job training in local employment services offices to acquaint them with the full range of services available to veterans. They are taught to recognize a veteran-applicant's need for indepth career counseling or other services. In addition, DVOP staff are prepared to provide veteran-applicants with information about educational, medical, employment, and social services avaialble to them from the VA, CETA prime sponsors, vocational rehabilitation offices, and other public agencies and community services groups.

Though the money for the salaries and expenses of the DVOP program is currently made available through title III, "Secretary's

Federal Responsibilties", of CETA, DVOP staff are generally considered employees of local employment service offices. DVOP staff performs duties similar to those performed by the regular employment service staff but are required to concentrate their efforts only on disabled and other veterans. Their duties, pursuant to a Department of Labor field memorandum (FM No. 227-77, dated March 30, 1977) are to:

(1) Assist in duties related to the placement of veterans only and not be assigned other duties or programs requiring significant amounts of time, such as solely administrative or clerical duties.

(2) Perform intensive outreach to locate disabled Vietnam-era veterans through contacts with local veterans organizations, CETA prime sponsors, colleges, universities, trade schools, Veterans' Administration hospitals, U.S. Veterans Assistance Centers, local agencies such as the Urban League, OIC (Opportunities Industrialization Centers), SER, and other community service groups.

(3) Screen local office applicant files to identify disabled veterans, with emphasis on Vietnam-era disabled veterans, for appropriate referral to job-order listings, particularly public service employment opportunities available through CETA prime sponsors, and job-training opportunities developed through the HIRE program.

(4) Assist local office staff in contacting employers primarily through personal visits, to encourage them to hire or train disabled veterans.

(5) Assist local staff in developing job or training opportunities for individual didsabled veterans, with particular emphasis on disabled Vietnam-era veterans.

(6) Assist the local veterans' employment representative to achieve optimum local office liaison with community groups and veterans organizations.

In fiscal year 1979, although program emphasis continued to be placed on obtaining suitable employment for disabled Vietnam-era veterans, DVOP staff were required to assume wider responsibilities relating to veterans in order to provide maximum assistance to minority and disadvantaged veterans. Greater emphasis was also placed on job development and employer relations.

The program, although one of the most successful of the initiatives mounted by the Administration to deal with the problems of unemployed veterans, has not been without its problems. In the early stages, initial staffing progressed slowly in some States and vacancies remained unfilled for long periods of time. Orientation and training were not always timely and sometimes less than adequate. Diversion of DVOP staff to general employment service activities not related to veterans—or "mainstreaming"—was not uncommon. However, many of these problems have been corrected, and monitoring by the Department of Labor has tended to curb extensive mainstreaming of DVOP staff.

As noted above, the program has been highly successful. Through the cooperation of the VA, listings have been furnished to DVOP staff of more than one-half million Vietnam-era veterans with service-connected disabilities rated as compensable. These veterans have been the focus of DVOP outreach efforts and those contacted have been offered personalized employment assistance, including job counseling and referral to supportive services, as necessary. During the period January 1977 through January 1980, DVOP staff have contributed to the successful placement in jobs of more than 135,000 disabled Vietnam-era veterans.

The degree of success enjoyed by the program is evidenced by the Department's decision to continue the program. Initially, the program was scheduled to terminate in September 1978. However, the Department made the decision to continue the program at fiscal year 1978 levels through fiscal year 1979 and, subsequently, through fiscal year 1983 at gradually reduced levels. At this time, there are 1,600 staff assigned to DVOP, and the program is funded for fiscal year 1980 at a level of $25.1 million. The Department's plans for fiscal year 1981 call for an end of year level of 1,000 staff at funding of $21 million.

During the Committee's hearings on Vietnam veterans readjustment much testimony was received in support of the continuation of the DVOP program at its initial levels as a permanent part of the Nation's efforts to meet the employment needs of veterans. At the Los Angeles hearing held on January 26, 1980, as well as at an earlier employment oversight hearing held in Washington, D.C., on May 23, 1979, the Committee heard from a number of DVOP staff regarding their personal experiences with the program and their very strong support for its continuation on a permanent basis. In addition, the Committee has received many communications of support from individuals nationwide. The American Legion, Veterans of Foreign Wars, Disabled American Veterans, AMVETS, Military Order of the Purple Heart, and Marine Corps League have all adopted resolutions in support of permanent, continuation of the program.

Thus, section 209 of the Committee bill would provide, on a permanent basis, for the conduct of a program modeled on the successful DVOP design—the veterans' employment and training outreach program (VETOP).

The Committee bill would require the Secretary to make sufficient funds available to each State in order to support a level of approximately 2,000 VETOP specialists nationwide. The VETOP specialists, as entry level professionals, would carry out functions and duties in much the same way as DVOP staff now do, reaching out to eligible veterans and making job development contracts with employers. In carrying out these duties, VETOP specialists would be required to assign their priorities in the following order: Disabled veterans who have participated in or completed a program of vocational rehabilitation under chapter 31 of title 38; other disabled veterans; and other eligible veterans, taking into account the needs of categories of veterans with relatively high rates of unemployment (such as young Vietnam-era and minority group Vietnam-era veterans) and the employment emphasis set forth in chapter 42, Employment and Training of Disabled and Vietnam Era Veterans, of title 38 (as it is proposed to be amended by section 802 of S. 870 as passed by the Senate in H.R. 5288 on January 24, 1980)—particularly Vietnam-era veterans. (Chapter 42 also emphasizes veterans with serious service-connected disabilities, but such veterans would be included in the first or second priority categories.)

The Committee bill would provide that not more than three-quarters of the VETOP specialists could be stationed in local employment services offices. Other specialists could be stationed at such locations as the new readjustment counseling centers established by the VA pursuant to section 612A of title 38 for Vietnam-era veterans, the VA's U.S. Veterans Assistance Centers (USVAC's), and other locations as determined appropriate by the Secretary and the Administrator, such as at community-based organizations. The concept of readjustment counseling centers and the "store-front" approach were designed primarily to address the needs of those Vietnam-era veterans who are not seeking assistance from the VA because they view the agency as a part of an unresponsive, overwhelming Federal bureaucracy. Early experience shows that these veterans coming to these centers often have serious job-related difficulties. The Committee believes that for such veterans, the linking of needed job-related assistance should be facilitated and that VETO specialists could be an important element in assuring maximum assistance with minimum referrals to other agencies. However, the Committee does not intend to require the full-time permanent outstationing of a VETOP specialist at each readjustment counseling center; rather, the Committee believes that the outstationing of specialists in such centers could be on a part-time basis and should only be in accordance with interagency and local determinations, as appropriate. In addition, VETOP specialists could provide valuable assistance to many so-called "self-help" community-based veterans groups that conduct outreach efforts and provide employment assistance to Vietnam-era veterans.

Among the duties specifically assigned to the VETOP specialists by the Committee bill would be the responsibility for promoting, developing, and approving, in accordance with regulations developed jointly by the Administrator and the Secretary, opportunities for VA programs of training on the job. In this regard, the Committee expects that VETOP specialists would be sufficiently familiar with other Federal initiatives designed to assist veterans seeking jobs—such as the Targeted Jobs Tax Credit—so as to familiarize employers with the possible linkages that exist and how these programs can be beneficial to both the employer and the veteran.

The Committee bill would provide that the VETOP program would be administered through the office of the Deputy Assistant Secretary for Veterans' Employment. In this regard, the Committee intends that the Department would carry out monitoring of the program in order to avoid the abuses and problems that occurred in the DVOP program, and that appropriate grievance and other procedures be developed for the administration of the program so as to provide for resolution of issues arising in its implementation—such as employee complaints, salary levels, and other day-to-day related matters.

Part B—GI Bill Rate Increases

Part B of title II of the Committee bill, "GI Bill Rate Increases", would provide for a 10-percent increase in the amounts of GI Bill educational assistance allowances paid pursuant to chapters 34, 35, and 36. The following table compares the benefit levels for the various allowances provided for by current law with the benefit levels which would be effective on October 1, 1980, under the Committee bill.

TABLE 2.—COMPARISON OF BENEFIT LEVELS IN CURRENT LAW AND AS PROPOSED BY COMMITTEE BILL

	Existing Law				S. 1188			
	No dependents	1 dependent	2 dependents	Each additional dependent	No dependents	1 dependent	2 dependents	Each additional dependent
INSTITUTIONAL AND COOPERATIVE TRAINING (COLLEGE TRAINING) (CH. 34, SEC. 1682(A))								
Full-time	$311	$370	$422	$26	$342	$407	$464	$29
Three-quarter	233	277	317	19	256	305	349	21
Half-time	156	185	211	13	172	204	232	14
Cooperative	251	294	334	19	276	323	367	21
FARM COOPERATIVE TRAINING (CH. 34, SEC. 1682(D))								
Farm cooperative:								
Full-time	$251	$294	$334	$19	$276	$323	$367	$21
Three-quarter	189	221	251	15	207	243	276	17
Half-time	126	147	167	8	139	162	184	11
APPRENTICESHIP OF OTHER ON-JOB TRAINING (CH. 36, SEC. 1787)								
Periods of training:								
1st 6 months	$226	$254	$277	$12	$249	$279	$305	$13
2nd 6 months	169	197	221	12	186	217	243	13
3rd 6 months	113	141	164	12	124	155	180	13
4th & any succeeding 6 month periods	56	84	108	12	62	92	119	13

OTHER PROVISIONS

	Existing law	S. 1188
Flight training	$311	[1] $317
Active duty and less than half-time	311	[2] 342
Correspondence courses	311	[3] 342
Special supplementary assistance	69	[4] 76
Loan	311	[5] 342

OTHER PROVISIONS—WAR ORPHANS, WIDOWS, AND WIVES EDUCATIONAL ASSISTANCE (CH. 35)

	Existing law	S. 1188
Full time	$311	$342
Three-quarter time	233	256
Half time	156	172
Institutional-business courses	251	276
Special restorative training	311	342

[1] 90 percent of established charges, with 1-month charged to entitlement for each $317 cost.

[2] Established charges for tuition and fees, but not to exceed full-time rate of $342 per month.

[3] Established charges, with 1-month charged to entitlement for each $342 cost.

[4] Per month, with maximum of $911.

[5] Amount of available loan determined by multiplying months of entitlement to educational assistance times the value of one month's entitlement ($342) up to maximum of $2,500.

A chronology of educational assistance allowances since the beginning of the current GI Bill program (in 1966)—including the rate increase proposed by the Committee bill—are shown in the following table:

TABLE 3. CHRONOLOGY OF ACTUAL AND PROPOSED EDUCATIONAL ASSISTANCE RATES UNDER POST-KOREAN CONFLICT AND VIETNAM-ERA VETERANS' GI BILL PROGRAM

Law, effective date, and type of course	Percentage increase for single veteran	Single veteran	Veteran and 1 dependent	Veteran and 2 dependents	Additional dependents
Public Law 89-358, June 1, 1966: Full-time institutional		$100	$125	$150	
Public Law 90-77, October 1967:	30				
Full-time institutional		130	155	175	$10
Full-time cooperative farm		105	125	145	7
Full-time training on the job		80	90	100	
Public Law 91-219, Feb. 1, 1970:	34.6				
Full-time institutional		175	205	230	13
Full-time cooperative farm		141	165	190	10
Full-time training on job		108	120	133	
Public Law 92-540, Oct. 1, 1972:	25.7				
Full-time institutional		220	261	298	18
Full-time cooperative farm		177	208	236	14
Full-time training on job		160	179	196	8
Public Law 93-508, Dec. 3, 1974, retroactive to Sept. 1, 1974:	22.7				
Full-time institutional		270	321	366	22
Full-time cooperative farm		217	255	289	17
Full-time training on job		196	212	232	9
Public Law 94-502, Oct. 1, 1976:	8				
Full-time institutional		292	347	396	24
Full-time cooperative farm		235	276	313	18
Full-time training on the job		212	238	250	11
Public Law 95-202, Oct. 1, 1977:	7				
Full-time institutional		311	370	422	26
Full-time cooperative farm		251	294	334	19
Full-time training on the job		228	254	277	12
S. 1188, Oct. 1, 1980:	10				
Full-time institutional		342	407	464	29
Full-time cooperative farm		276	323	367	21
Full-time training on the job		249	279	305	13

The current GI Bill program was established in 1966 in order that (1) service in the Armed Forces be made more attractive, (2) eligible veterans and dependents might benefit from attaining a higher educational level than they might otherwise have been able to afford, (3) individuals whose lives and careers have been disrupted by their active duty in service might receive vocational and educational readjustment assistance, and (4) individuals who served their country honorably might attain the vocational or educational objectives they would have otherwise realized had they not served in the military. Since the inception of the current GI Bill in 1966, Congress has intended that the educational assistance allowance cover, in part, the costs incurred by the veteran-student for tuition, fees, books, supplies, subsistence, and other associated costs.

Since 1966, Congress has increased the rates of educational assistance by more than 200 percent. Yet, even the benefit increases provided by past amendments have not assured that benefit levels kept pace with the rate of inflation from year to year. For example, in 1976, Congress increased GI Bill educational assistance allowances by 8 percent. However, the increase in the cost of living (as measured by the Consumer Price Index (CPI))—between September 1, 1974, and effective date of the increases provided by Public Law 93-508, and October 1, 1976, the effective date of the increases provided by Public Law 94-502—was 14.08 percent.

The Committee believes that a cost-of-living increase in GI Bill benefits is long overdue. The GI Bill purchasing power has declined since 1970 as a result of the continued rise in the cost of living as measured by the CPI. The Congress has increased benefits almost 78 percent since 1970 (from $175 to $311). However, the increase in the CPI from 1970 through April 1980 has been close to 111 percent. Since the last increase in benefits, made by Public Law 95-202, effective on October 1, 1977, the cost of living has increased by more than 30.3 percent. This rate of inflation has badly eroded the value of the GI Bill educational assistance dollar and has created hardships on many veterans attempting to pursue their educations under the GI Bill.

On January 24, in connection with the consideration of the proposed "GI Bill Amendments Act of 1980," the Senate approved a 15-percent cost-of-living increase in the rates of educational assistance allowances paid under chapters 31, 34, 35, and 36 of title 38. At that time, the cost of this rate increase, effective September 1, 1980, was estimated by CBO to be $22 million for fiscal year 1980 and $376 million for fiscal year 1981 and to total $1.4 billion over the period fiscal year 1980 through 1984.

The Committee is deeply committed to providing relief to veterans training under the GI Bill. Likewise, the Committee is concerned about the need to balance the Federal budget and understands the necessity of curbing Federal expenditures as a necessary step toward efforts to reduce inflation.

Consequently, after serious examination and consideration, the Committee, in conjunction with its March recommendations to the Senate Budget Committee, recommended that a 10-percent increase in GI Bill benefits be enacted in lieu of the 15-percent increase that had already passed the Senate. This percentage increase is consistent with the President's recommendations made in his January and revised budgets for fiscal year 1981.

Thus, part B of title II of the Committee bill would provide for a 10-percent increase in GI Bill educational assistance allowances prescribed by chapters 34, 35, and 36 of title 38. A comparable increase in benefit levels for chapter 31 is proposed to be made by section 101(a) of the Committee bill. CBO estimates the fiscal year 1981 cost of this increase, together with the cost of the increase in chapter 31 rates, would be $258 million. Thus, this proposal would result in $118 million in savings over the Senate action taken earlier this year.

TITLE III: TECHNICAL PROVISIONS AND EFFECTIVE DATE

New section 1516(a)(2)(B) of title 38 (as proposed to be added in the revision to chapter 31 made by section 101(a) of the Committee bill) would require that health-care services provided as a part of rehabilitation program under chapter 31 be provided in VA-operated health-care facilities except where otherwise authorized under chapter 17 (health care). Section 301 of the Committee bill would—in light of this requirement and in order to assure chapter 31 participants who have serious employment handicaps and whose care is called for in their rehabilitation plans appropriate eligibility for and priority in the provision of outpatient care in VA facilities and on a contract basis—amend present section 612(f)(2) to provide chapter 31 participants with the same eligibility for VA outpatient care that veterans with service-connected disabilities rated at 50-percent-or-more disabling presently have. This would have the effect of including these chapter 31 participants together with 50-percent-rated veterans in the second priority category for VA outpatient care in present section 612(i), behind veterans receiving treatment for a service-connected disability, and of making chapter 31 participants eligible for contract care on the same basis as 50-percent-rated veterans (which is the same, under present section 601(4)(C)(i) and (ii), as the basis on which contract care is available for the treatment of a service-connected disability).

Section 305 of the Committee bill would amend section 1624(a) of title 38 to revise the current law provision designating those to whom a deceased participant's unused contributions to the chapter 32 educational fund are to be paid. Under current law, such unused contributions are paid to the person or persons designated by the deceased particiapnt as the beneficiaries of the participant's Servicemen's Group Life Insurance (SGLI) policy, or, where the participant had no SGLI policy or had made no such designation, to the deceased participant's estate.

The Committee agrees with the approach reflected in current law that payment be made directly to those persons whom the participant probably would have liked to receive his or her unused contributions—instead of being paid to the participant's estate—and that the designated SGLI beneficiaries may be presumed to be those whom the participant would desire to be benefited.

However, the Committee does not believe that current law goes far enough in enabling payment to be made directly to the persons who, in all likelihood, the participant would have wished to receive payment if the participant is not covered under SGLI or has not designated an SGLI beneficiary.

Thus, section 305 would amend the provision involved so that the deceased participant's unused contributions to the educational fund be paid to the participant's SGLI beneficiary, or, if the participant is not covered under SGLI or has not designated a beneficiary, to the participant's surviving spouse, or, if there is no surviving spouse, to the participant's surviving child or children, or if there is no surviving child, to the participant's parents—thus simplifying payment and tax consequences in these instances. Under the amendment, only where there is no surviving spouse, child, or parent would payment be made to the participant's estate.

Section 308 would generally provide for an October 1, 1980, effective date.

Other provisions in this title are technical in nature and are described below in the section-by-section analysis of the bill.

COST ESTIMATE

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office, estimates that the costs resulting from the enactment of the Committee bill during the first 5 years following enactment would be $291.0 million in fiscal year 1981; $372.9 million in fiscal year 1982; $326.9 million in fiscal year 1983; $256.7 million in fiscal year 1984; and $211.7 million in fiscal year 1985. A detailed breakdown of the costs, as estimated by CBO, over the 5-year period follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE—MAY 15, 1980

1. Bill number: S. 1188.

2. Bill title: Disabled Veterans Rehabilitation Act of 1980.

3. Bill status: As ordered reported by the Senate Veterans' Affairs Committee, April 2, 1980.

4. Bill purpose: To improve and modernize the vocational rehabilitation program provided service disabled veterans under chapter 31, title 38, U.S.C., to provide a 10 percent cost-of-living adjustment for those who train under the GI Bill, Vocational Rehabilitation and Survivors' and Dependents' Educational Assistance programs, make modifications to the GI Bill on-the-job-training program, create an outreach program for veterans employment and training and for other purposes.

5. Cost estimate: This bill would result in additional future federal liabilities through an extension of existing entitlements that would require subsequent appropriation action to provide the necessary budget authority. The figures shown as "Required Budget Authority" represent an estimate of the additional budget authority (BA) needed to cover the estimated outlays (O) that would result from enactment of S. 1188. Only provisions which have a budget impact are itemized.

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
TITLE I					
10-percent rate increase for chapter 31:					
Budget authority	10.6	15.1	15.3	12.7	10.7
Outlays	9.6	15.5	15.6	13.0	10.7
Elimination of the requirement that disabled veterans show a need for vocational rehabilitation:					
Budget authority	2.1	5.3	6.3	6.9	7.4
Outlays	2.1	5.3	6.3	6.9	7.4
Other improvements to chapter 31:					
Budget authority	16.4	19.0	16.9	16.6	16.3
Outlays	16.1	19.3	16.9	16.6	16.3
Total title I (function 700):					
Budget authority	29.1	39.4	38.5	36.2	34.4
Outlays	27.8	40.1	38.8	36.5	34.4
TITLE II					
Changes in OJT:					
Budget authority	1.9	5.7	3.9	2.5	1.9
Outlays	1.9	5.7	3.9	2.5	1.9
Expanded outreach program (function 500):					
Budget authority	12.9	23.6	34.8	42.7	46.1
Outlays	12.9	23.6	34.8	42.7	46.1
10-percent rate increase for chapters 34 and 35:					
Budget authority	275.4	296.9	243.7	168.3	129.3
Outlays	248.4	303.5	249.4	175.0	129.3
Total title II (function 700 except as noted):					
Budget authority	290.2	326.2	282.4	213.5	177.3
Outlays	263.2	332.8	288.1	220.2	177.3
Total cost:					
Budget authority	319.3	365.6	320.9	249.7	211.7
Outlays	291.0	372.9	326.9	256.7	211.7

6. Basis of estimate:

TITLE I—REHABILITATION AMENDMENTS

This title would restructure chapter 31 of title 38, U.S.C. to update, improve and expand the Vocational Rehabilitation Program for service connected disabled veterans under that chapter. Major provisions of this title would:

(1) Enlarge the purpose and effective operation of the VA's rehabilitation programs beyond the veterans' employability to obtaining and maintaining employment and to enable a veteran to achieve independence in daily living.

(2) Specify a broad range of services and assistance that may be provided under chapter 31 in order to provide clear authority for a full range of evaluative, counseling, independent-living, pretraining, training, and employment-assistance services. (The VA interpretation of current law equates vocational rehabilitation under chapter 31 with training and thus does not provide for pretraining services that may enable a veteran, whose mental or physical disability renders entry into training infeasible, to prepare to enter into a training program.)

(3) Provide authority for independent living services to help a veteran with very serious disabilities to live and function within his or her family and community (including authority for a 4-year (fiscal years 1982–1985) pilot program of independent living services and assistance (limited to 500 new veterans entering the program each year) for veterans as to whom the achievement of a vocational goal has been determined not to be reasonably feasible).

(4) Enable veterans participating in chapter 31 rehabilitation programs who have remaining eligibility for and entitlement to chapter 34 (GI Bill) benefits to receive, as part of their chapter 31 benefits, allowances and assistance equal to the chapter 34 allowances and assistance appropriate to their training programs in lieu of payment of the subsistence allowance, tuition, and fees and of certain other services and assistance provided for under chapter 31.

(6) Establish a Veterans Advisory Committee on Rehabilitation.

(7) Eliminate the requirement that disabled veterans show a need for vocational rehabilitation before receiving it.

(8) Provide a 10 percent cost-of-living increase for those training under chapter 31.

(9) Provide for a liberalization of the delimiting period and associated eligibility and provide for a liberalization of entitlement.

CBO and the VA have identical cost estimates for provisions of this title except for items (7) and (8).

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
Cost for all items except (7) and (8):					
Budget authority	16.4	19.0	16.9	16.6	16.3
Outlays	16.1	19.3	16.9	16.6	16.3

Item (7): The VA has estimated that the elimination of the requirement that disabled veterans show a need for a program of vocational rehabilitation would result in 1,000 additional trainees in fiscal year 1981 at a cost of $3.8 million. They assume that none of these veterans would have trained under chapter 34. CBO believes that it is unrealistic to assume no offset for chapter 34 training. CBO's estimate assumes that in fiscal year 1981 two-thirds of the additional 1,000 trainees would have trained under chapter 34 at two-thirds of the cost. Because chapter 34 is a declining program, the offsets are reduced.

	1981	1982	1983	1984	1985
Additional trainees under chapter 31	1,000	2,000	2,000	2,000	2,000
Number who would have trained under chapter 34	667	955	648	441	309

COST ESTIMATE

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
Estimated budget authority	2.1	5.3	6.3	6.9	7.4
Outlays	2.1	5.3	6.3	6.9	7.4

Item (8): CBO assumes additional persons will train in the Vocational Rehabilitation Program when benefit levels are raised above what they would have been. VA estimates do not.

ESTIMATED TRAINEES

	Fiscal year—				
	1981	1982	1983	1984	1985
Current law	25,500	22,900	20,300	17,500	15,000
With rate increase	26,800	25,500	23,000	19,800	16,800

These additional trainees plus the rise in the average benefit is expected to result in additional budget authority in fiscal year 1981 of $10.6 million and $9.6 million in outlays.

COST ESTIMATE

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
Estimated budget authority	10.6	16.1	15.3	12.7	10.7
Outlays	9.6	15.5	15.6	13.0	10.7

TITLE II—EDUCATION AND EMPLOYMENT AMENDMENTS

This title would do three things: (1) Enhance the GI Bills on-the-job-training program so as to make the program more attractive to both employers and employees; (2) establish a new Veterans' Employment and Training Outreach Program (VETOP); and (3) provide for a 10 percent rate increase for those training under the GI Bill (chapter 34) or the Survivors' and Dependents Educational Assistance Program (chapter 35).

Item (1): This item would modify the OJT program in various ways. It would require that the VA become actively involved in promoting veterans employment programs including not only the VA's own programs but also programs in other agencies. It would place responsibility for the approval of on-the-job training with the Administrator of the VA and require that the Administrator and the Secretary of Labor to issue joint regulations specifying the criteria for the approval of programs.

It is intended that, under the new criteria many existing on-the-job training positions—such as those conducted under the HIRE program—could be considered approved for GI Bill benefits. In this fashion, existing programs which offer an incentive to employers to train individuals could be linked more easily to a program of assistance to veterans.

Additionally, because it is anticipated that approval process could be simplified and the apparent employer-perceived Government interference reduced, employers would be more likely to participate in the program, particularly if by virtue of hiring certain veterans—those participating in a program of vocational rehabilitation or those who served during the Vietnam era and who are economically disadvantaged—they become eligible for a tax credit under the Targeted Jobs Tax Credit (TJTC) program. Employers would also be given more latitude through a reduction in the minimum length of on-the-job training from 6 to 3 months.

By placing the responsibility of approval with the Administrator, it is anticipated that the approval process itself would become more cost-effective and timely. The Administrator could choose to approve programs directly or through agreements with non-VA sources, such as the new VETOP specialists or State approving agencies.

These amendments would also make the Administrator responsible for the promotion of development and establishment of programs of training on the job.

CBO estimates assume both savings and costs would result from this set of provisions. Savings would result because the VA anticipates assuming the approval process themselves and it expects that payments to State approval agencies would be more than the cost of doing the approvals themselves. The Veterans' Administration has estimated that by eliminating payments to State approving agencies for this function it would save $4.8 million in fiscal year 1981. This would be offset by a cost of $2.4 million which would be required to pay additional employees. Costs would also result because additional trainees would be induced into training as a result of the liberalizations under this set of provisions. These additional trainees would also result in additional expenses.

The following table shows the impact on trainees and the one following it shows the impact on costs.

IMPACT ON TRAINEES

	1981	1982	1983	1984	1985
Estimated additional trainees due to this provision	4,000	5,900	4,000	2,700	1,900

IMPACT ON EXPENDITURES OVER CURRENT LAW

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
Elimination of payments to State approving agencies	−4.8	−3.4	−2.3	−1.6	−1.1
VA approval costs	2.4	1.7	1.2	.8	.6
Cost of additional trainees	4.0	7.1	4.8	3.2	2.3
Administrative and counseling costs for additional trainees	.3	.3	.2	.1	.1
Net additions to expenditures as a result of OJT modifications	1.9	5.7	3.9	2.5	1.9

This estimate reflects what the expenditure impact would be if this provision modified current law. It does not account for the fact that this provision has a complementary companion piece in S. 870 (passed the Senate January 24, 1980) to extend the delimiting date for on-the-job training. If the current provision passed along with S. 870, the on-the-job training modifications would apply there as well. This would result in additional costs as follows:

COST OF MODIFICATIONS OF ON-THE-JOB-TRAINING AS APPLIED TO THE THREE-YEAR EXTENSION OF THE DELIMITING DATE AS PASSED BY THE SENATE UNDER S. 870

[By fiscal years, in millions of dollars]

1981	1982	1983	1984	1985
1.7	3.	2.	0	0

Item 2: This provision would establish a new Veterans' Employment and Training Outreach Program (VETOP) in the Department of Labor. This program would make available to each state sufficient funding to support 2,000 VETOP specialists nationwide. These specialists would supplement but not supplant the existing staff of Veterans' Employment Service and local veterans' employment representatives. They would have a variety of duties designed to promote employment and training opportunities for eligible veterans. This program would absorb the Disabled Veterans Outreach Program (DVOP) now conducted by the DOL under title III of CETA. The costs of the new VETOP program would be offset by what the DVOP would have cost.

COST ESTIMATE

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
Cost of VETOP Program	33.9	36.6	39.5	42.7	46.1
Cost of DVOP program	−21.0	−13.0	−4.7	0	0
Net addition to cost	12.9	23.6	34.8	42.7	46.1

Item 3: The provision would raise benefit levels by 10 percent for chapters 34 and 35 (respectively, the GI Bill and the Surivors and Dependents Educational Assistance Program). It is expected that this will raise expenditures in two ways. First, it will cause the average cost per trainee to go up by about 10 percent. Second, it will cause additional persons to train who would not have trained otherwise. The following table shows the estimated number of veterans training under the GI Bill with and without the 10 percent increase.

ESTIMATED NUMBER OF VETERANS WHO WILL TRAIN UNDER THE GI BILL

[In thousands]

	Fiscal year—				
	1981	1982	1983	1984	1985
Without the 10-percent increase	668	442	291	200	141
With the 10-percent increase	720	516	350	238	167

Similar relative differences occur for the smaller Survivors' and Dependents' Educational Assistance Program.

COST ESTIMATE

[In millions of dollars]

	Fiscal year—				
	1981	1982	1983	1984	1985
Estimated budget authority	275.4	296.9	243.7	168.3	129.3
Outlays	248.4	303.5	249.4	175.0	129.3

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Al Peden (225–7766).
10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

REGULATORY IMPACT STATEMENT

In compliance with paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact which would be incurred in carrying out the Committee bill. The results of that evaluation are described below.

The Committee bill consists of three titles. Title I would revise chapter 31 of title 38, United States Code, to improve, expand, and modernize Veterans' Administration rehabilitation programs for service-connected disabled veterans. Title II would amend various provisionsof title 38 to promote employment and training opportunities for veterans and provide for a 10-percent increase in GI Bill educational assistance allowances. Title III contains a miscellaneous provision and would provide generally for an October 1, 1980, effective date for the bill's provisions.

A. *Estimate of the numbers of individuals and businesses who would be regulated, and a determination of the groups and classes of such individuals and businesses:* No individuals or businesses would be regulated as the result of the enactment of the Committee bill.

B. *Determination of the economic impact of such regulations on individuals, consumers and businesses affected:* Since, as previously indicated, there would be no such regulation, there would be no such impact.

C. *Determination of the impact on the personal privacy of the individual affected:* The enactment of the Committee bill would not significantly increase the impact on the personal privacy of participants in the programs involved as presently constituted.

D. *Determination of the amount of additional paperwork that will result from regulations to be promulgated under the bill:* No regulations that would result in any significant amount of additional paperwork are expected to be promulgated under the provisions of the Committee bill, except that under new section 1520 (as proposed to be added by title I) the Administrator of Veterans' Affairs would prescribe regulations for a four-fiscal-year (1982–1985) contract pilot program of independent living services and assistance for certain severely disabled veterans; and a certain amount of additional paperwork would be created in the awarding and administration of the contracts. However, since the number of veterans that may be newly included in this program each year would be limited to 500, the new paperwork would not be very substantial.

SECTION-BY-SECTION ANALYSIS OF S. 1188 AS REPORTED

Section 1

Subsection (a) of section 1: Would provide that the Committee bill may be cited as the "District Veterans Rehabilitation Act of 1980".

Subsection (b) of section 1: Would provide that whenever in the Committee bill an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—REHABILITATION AMENDMENTS

Section 101

Would amend, by comprehensively restructuring and recodifying it, chapter 31 of title 38, United States Code, relating to vocational rehabilitation programs for service-connected disabled veterans, to improve, modernize, and expand rehabilitation opportunities for such veterans. This section, derived from Amendment No. 1661, would expand Veterans' Administration rehabilitation programs beyond vocational training programs provided under current law to include comprehensive rehabilitation consisting of all services and assistance necessary to evalulate a veteran's potential for pursuing a vocational goal, to prepare a veteran to participate in vocational training, and to enable a veteran to achieve maximum independence in daily living, and, to the maximum extent feasible, obtain and maintain suitable employment. The provisions of chapter 31 as proposed to be revised are as follows:

New section 1500.—Purposes: Would state the purposes of chapter 31 as being to provide all services and assistance necessary to enable a service-connected disabled veteran to achieve maximum independence in daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment. Present chapter 31 does not contain a provision stating the purposes of this chapter. However, present section 1501(2) defines the term "vocational rehabilitation" as meaning—

> training (including educational and vocational counseling, all appropriate individualized tutorial assistance, and other necessary incidental services) for the purpose of restoring employability, to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability.

Thus, the Committee bill would enlarge the purpose of vocational rehabilitation under chapter 31 beyond enabling the veteran to achieve employability to enabling the veteran to obtain and maintain suitable employment, and would add enabling the veteran to achieve maximum independence in daily living to the chapter 31 purposes. ("Independence in daily living" would be defined in proposed new section 1501(1), as discussed in the analysis below.) In addition, the stated purposes of chapter 31 would be expanded, in terms of the services to be provided, to include "all services" necessary to achieve the rehabilitation of the veteran, and the concept of rehabilitation would be expanded beyond the provision of services and assistance to help overcome a handicap due to a service-connected disability to include the complete rehabilitation of a veteran with a service-connected disability, including rehabilitation with respect to any non-service-connected disabilities which the veteran may have.

New section 1501.—Definitions: Would define certain terms for purposes of chapter 31, as follows (with numbering corresponding to the clauses in this new section):

(1) The term "independence in daily living" would mean the ability of a veteran—without the help of others or with a reduced level of help from others—to live and function within his or her family and community. The wording is intended to parallel the conceptualization of such independence in title VII of the Rehabilitation Act of 1973, under which State vocational rehabilitation programs provide Federally-assisted independent living services and assistance. No comparable definition appears in present chapter 31, which provides only for vocational rehabilitation and does not expressly provide for services and assistance to help the veteran achieve independence in daily living.

(2) The term "medical condition" would be defined to include an alcohol or drug dependence or abuse disability. This term is used in proposed new section 1503, which provides for a "tolling" (extension) of the veteran's chapter 31 period of eligibility (delimiting period) while a medical condition makes it infeasible for the veteran to participate in vocational rehabilitation. Present section 1503(b)(1), relating to delimiting-period extensions, provides that an extension may be granted a veteran who lacks "medical feasibility for training because of disability". Under

that provision, it is unclear whether or not an alcohol or drug dependence or abuse disability would be considered a "disability" for purposes of extending a veteran's period of eligibility. This definition would thus clarify that such a disability would be so considered.

(3) The term "program of education" would have the same meaning provided in present section 1652(b) of title 38, where the term is used to define the educational or training pursuits for which GI Bill benefits may be provided under present chapter 34. This term is used in proposed new section 1508(f) in conjunction with the proposed provision for veterans participating in vocational rehabilitation under chapter 31 to receive the equivalent of chapter 34 allowances and assistance in lieu of the subsistence allowance and certain forms of assistance specified in chapter 31.

(4) The term "program of independent living services and assistance" would be defined broadly to include all services determined to be necessary to enable a veteran to achieve maximum independence in daily living and the assistance authorized in chapter 31 for veterans receiving such services. The term is used in connection with the pilot program of independent living services and assistance that would be established under proposed new section 1520 for those service-connected disabled veterans for whom the achievement of a vocational goal is determined not to be reasonably feasible.

(5) The term "rehabilitated to the point of employability" would mean rendered employable in the occupation for which the veteran received training in a vocational rehabilitation program under the chapter.

(6) The term "rehabilitation program" would mean either a vocational rehabilitation program (which can include independent living services), as proposed to be defined in clause (9) of this new section, or a program of independent living services and assistance, as proposed to be defined in clause (4).

(7) The term "serious employment handicap" would mean a significant impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with such veteran's abilities, aptitudes, and interests. This term is used in various provisions in chapter 31, as proposed to be revised, which provide a focusing of counseling and certain other services on veterans who have such a handicap (for example, new sections 1506(b) and 1507) which make provision for delimiting-date extensions and extended entitlement for certain such veterans (new sections 1505(b) and 1503(c), respectively).

(8) The term "vocational goal" would mean a gainful employment status that is consistent with the veteran's abilities, aptitudes, and interests.

(9) The term "vocational rehabilitation program" would be defined broadly to include all services necessary to accomplish the purposes of chapter 31, as stated in proposed new section 1500, from evaluation of a veteran's rehabilitation potential through placement in a suitable job and followup employment counseling. Such services would include, but not be limited to, such counseling,

diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined necessary by the Administrator. Such services, including, as necessary, independent living services during an evaluation period and vocational training period, would be provided to a veteran for whom the achievement of a vocational goal has not been determined not to be reasonably feasible in order to determine whether a vocational goal is reasonably feasible, to improve the veteran’s potential to achieve a vocational goal, and to enable such a veteran to achieve maximum independence in daily living. In the case of a veteran for whom the achievement of a vocational goal has been determined to be reasonably feasible, such service would be provided to enable the veteran to become employable and otain and maintain suitable employment. (Thus, where the achievement of a vocational goal is determined not to be reasonably feasible for a service-connected disabled veteran, he or she would be ineligible to participate in a vocational rehabilitation program but would have entitlement for participation in a program of independent living services and assistance.) A “vocational rehabilitation program” would also include allowances and assistances as authorized in chapter 31.

Present section 1501(2) provides for certain specific vocational rehabilitation “training services”, including educational and vocational counseling and individualized tutorial assistance, but does not provide for any additional services except in the phrase “and other necessary incidential services”. The VA, although it presently provides for a board range of vocational training and related services under this provision does not, under current law, generally provide pretraining services to enable a veteran to develop the potential to pursue vocational training. As the Administrator explained in his May 11, 1979, letter transmitting the Administration-requested legislation, the VA interpretation of current law equates vocation rehabilitation with training and thus the VA does not offer pretraining services to enable a veteran, whose mental or physical disabilities render entry into training infeasible, to prepare to enter into a vocationally-oriented training program. The Committee bill would expand the range of services and assistance authorized to be provided under chapter 31 to include pretraining services for veterans who could not enter a program of vocational rehabilitation because of a lack of ability to participate in vocational training, as well as independent living services to enable the veteran to achieve maximum “independence in daily living”, as that term is proposed to be defined in clause (1) of this new section.

New section 1502.—Basic entitlement: Would extend basic entitlement for chapter 31 benefits to all veterans who have a service-connected disability that is, or but for the veteran’s receipt of retirement pay would be, compensable under present chapter 11 (service-connected disability compensation) of title 38. Under present section 1502(a), basic entitlement is limited to veterans who are in of vocational rehabilitation, which is defined in present section 1501(2) as training to restore “employability . . . lost by virtue of a handicap due to service-connected disability.” Thus, under current law, entitlement is limited to veterans who need training to overcome an employment handicap resulting from service-connected disability, and the

Committee bill would eliminate the requirement of a determination that the veteran's service-connected disability constitutes some form of employment handicap.

As under current law, only veterans with disabilities arising out of service on or after September 16, 1940, would have entitlement to chapter 31 benefits. Also as under current law, present section 1510, an individual who would be eligible for chapter 31 benefits but for the fact that he or she has not yet been discharged or relieved from active service, would have basic entitlement for chapter 31 benefits while hospitalized in a Department of Defense hospital pending discharge from active service.

New section 1503.—Periods of eligibility:

Subsection (a): Would lengthen the basic period of eligibility (delimiting period) in current law, present section 1503(a), from 9 to 10 years following the veteran's discharge or release from active-duty service. A 10-year basic delimiting period would be consistent with the 10-year basic GI Bill delimiting period under present chapter 34.

Subsection (b): Would both modify each set of circumstances under which an extension of the delimiting period may be based due to certain factors temporarily precluding the veteran's participation in vocational rehabilitation under chapter 31, as well as revise the method by which the length of such extensions are calculated.

Present section 1503(b) provides for a 4-year extension of the current 9-year delimiting period when the veteran has been prevented from completing vocational rehabilitation within the 9-year period because (1) the disability made the veteran's training infeasible, (2) the veteran had not timely met the requirement of a discharge or release under conditions other than dishonorable but the nature of the discharge or release was changed by appropriate authority, or (3) the veteran had not timely established the existence of a service-connected disability.

The Committee bill would provide that the 10-year delimiting period would not run during any period that the veteran is prevented from entering or completing a vocational rehabilitation program under this chapter because a medical condition made it infeasible for the veteran to participate in such a program. Also, by virtue of the definition of "medical condition" proposed in new subsection 1501(2), the Committee bill would make clear that a medical condition entitling the veteran to a "tolling" of the 10-year delimiting period includes an alcohol or drug abuse or dependence disability—as would the Senate-passed amendment to section 1662(a)(1) of title 38, with respect to GI Bill trainees, in section 201 of H.R. 5288 as passed by the Senate on January 24, 1980, which provides for including such a disability among the disabilities which result in a tolling of the 10-year delimiting period for chapter 34 benefits. (See S. 870 as reported on September 7, 1979, S. Rept. No. 96–314, 96th Cong., 1st sess.

The Committee bill would also provide each eligible veteran with a full 10 years of eligibility from the date on which the veteran satisfies the nature-of-discharge requirements or the veteran is determined to have a service-connected disability.

Similarly, the Committee bill would expand the existing chapter 31 delimiting-period-extension provision with respect to the nature-of-discharge requirements so that a full 10 years of chapter 31 eligibility would be afforded in cases where a determination by the Administrator removes such a bar.

Subsection (c): Would, in terms generally parallel to current law, provide for a delimiting-period extension for an eligible veteran who has a serious employment handicap if either the veteran has not previously been rehabilitated under chapter 31 to the point of employability, or the veteran's service-connected disability has worsened to the extent that the veteran is no longer able to perform the duties of the occupation for which he or she was so rehabilitated. In comparison to the Committee bill, which proposes to make service-connected disabled veterans who have a "serious employment handicap" (as proposed to be defined in new section 1501(7)) eligible for consideration for a delimiting-period extension in these circumstances, present section 1503(c) provides such eligibility to veterans who are "in need of vocational rehabilitation to overcome the handicap of blindness, or other serious disability, resulting from a service-connected disability".

In addition, the Committee bill also would provide for an extension where the occupation for which the veteran had previously been rehabilitated under chapter 31 to the point of employability has proven to be inappropriate in light of the veteran's employment handicap and abilities. There is no comparable provision in current law.

The Committee bill would provide for an extension where the Administrator determines that an extension is necessary to carry out the purposes of this chapter.

This is designed to provide the Administrator with sufficient discretion to provide an extension as necessary to meet vocational rehabilitation needs following a determinaton of the appropriateness of granting an extension in an individual case of a veteran with a serious employment handicap. There is no comparable discretionary provision for an extension of the period of eligibility under current law.

Subsection (d): Would provide for a delimiting-period extension in the case of a veteran for whom the achievement of a vocational goal is determined not to be reasonably feasible if it is determined that an extension is necessary for such veteran to achieve maximum independence in daily living. This would provide authority for an extension of the period of eligibility for such a veteran to participate in a program of independent living services and assistance, eligibility and a program which do not exist under present law.

Since current law does not provide for programs of independent living services and assistance, there is no comparable extension provision in current law.

New section 1504.—Scope of services and assistance: Would provide for a broad and expanded range of services and assistance that the Administrator may furnish to participants in chapter 31 programs. As previously noted in the analysis of new section 1501(9), current law does not clearly specify the services and assistance available to veterans while participating in vocational rehabilitation training. The Committee bill provisions would continue in effect all exsting authority in current law for services and assistance furnished under chapter 31 and expand such services and assistance to provide clear authority for the full range of diagnostic, evaluative (including periodic reevaluations as appropriate), counseling, pretraining, employment, and other services that may be necessary to assist the veteran in entering and pursuing rehabilitation and in finding, adjusting to, and maintaining suitable employment.

Subsection (a): Would provide that the services and assistance authorized to be provided under chapter 31 pursuant to regulations which the Administrator must prescribe, shall include services and assistance as follows (with numbering corresponding to the clauses in this subsection):

(1) Evaluation (including periodic reevaluations as appropriate for a veteran participating in a rehabilitation program, of a veteran's potential for rehabilitation), including such diagnostic and related services as are needed to determine whether the veteran has a serious employment handicap and whether a vocational goal is reasonably feasible for the veteran and to provide a basis for planning a suitable vocational rehabilitation program, or a program to improve the veteran's rehabilitation potential or independent living status. There is no specific provision in current law for such evaluations. The purpose of this provision would thus be to provide an explicit statutory basis for the provision of whatever evaluation services are needed in connection with an eligible veteran's participation in a chapter 31 rehabilitation program.

(2) Educational, vocational, psychological, employment, and personal adustment counseling. Under current law, in present section 1501(2), vocational rehabilitation expressly includes educational and vocational counseling, and VA regulations (38 CFR § 21.700) provide for personal adjustment counseling "whenever needed prior to entering training, while pursuing training, or in adjusting to employment following training." Specific provisions for such counseling services in this provision in the Committee bill would thus underscore the congressional intention that a broad range of counseling be available to veterans participating in chapter 31 programs.

(3) An allowance and other appropriate assistance, as authorized by new section 1508. The allowances and certain other assistance payable under proposed new section 1508 and the differences between the provisions of new section 1508 and current law with respect to allowances and other assistance, are described below in the analysis of that new section.

(4) A work-study allowance as authorized by present section 1685. This provision recodifies the provision in present section 1502(d) relating to the eligibility of chapter 31 participants to perform veteran-student services under present section 1685, under which an additional educational assistance allowance, referred to as the "work-study allowance", is paid for services in connection with various VA program activities, and veterans with service-connected disabilities rated 30-percent or more disabling receive a priority in the provision of work-study assignments.

(5) Placement services to effect suitable employment of a veteran and postplacement services to attempt to assure satisfactory adjustment in employment. Employment assistance services for chapter 31 participants under the Committee bill and the differences between the provisions of the Committee bill and current

law with respect to employment assistance, are described below in the analysis of proposed new section 1517.

(6) Personal and work adjustment training. There is no specific provision for such training in current law. However, such training is provided as part of the "training . . . for the purpose of restoring employability", provided for in the definition of "vocational rehabilitation" in present section 1501(2). Provision for such training in this provision of the Committee bill would thus underscore the congressional intention that comprehensive training opportunities, including training necessary to help assure the maintenance of employment after the completion of vocational training, be made available to veterans who participate in chapter 31 programs.

(7) Vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of rehabilitation in individual cases. Under current law, present section 1501(2), vocational rehabilitation expressly includes "training" and "individualized tutorial assistance", and "training" has been interpreted to include tuition, fees, books, supplies, and licensing fees, and equipment and other training materials necessary for vocational rehabilitation. Present sec-[illegible] 1509, relating to the release to or return by the veteran of books, supplies, and equipment furnished under chapter 31, recognizes that such items may be furnished as part of vocational rehabilitation; and VA regulations (38 CFR §§ 21.230–21.243) provide detailed rules for the furnishing, release, and return of such items, including tools and other training materials. The Committee is also advised that, under current VA practice, the VA pays the cost of license fees necessary for the veteran to engage in the occupation for which he or she trained under chapter 31.

Thus, this provision of the Committee bill would clarify and codify current laws, regulations, and practice with respect to these forms of assistance in vocational rehabilitation and, to the extent appropriate for programs of independent living services and assistance—for which provision would be made in proposed new sections 1509 and 1520—extends their applicability to include such programs.

(8) Loans, as authorized by proposed new section 1512, which recodifies, with certain modifications (including an increase in the maximum amount of loans) present section 1507. The provisions of new section 1512 and the changes it would make in current law are described below in the analysis of that new section.

(9) Treatment, care, and services described in present chapter 17 of title 38. Such treatment, care, and services encompass a comprehensive range of medical and dental treatment, care, and services.

Present section 1506 authorizes the Administrator to furnish chapter 31 participants with medical care, treatment, and hospitalization as necessary to accomplish the purposes of chapter 31, whether or not such medical care, treatment, or hospitalization is otherwise authorized under chapter 17 of this title. VA regulations (38 CFR § 253(a)) condition entitlement to such health care on a medical determination that treatment is necessary to enable the veteran's entry into, continuation in, or expeditious return to a course of training.

This provision of the Committee bill would thus recodify the Administrator's authority to provide a comprehensive range of inpatient and outpatient care and services to chapter 31 participants and make clear that such care and services for a chapter 31 participants may be furnished as a chapter 31 benefit as part of the veteran's entitlement under this chapter. In the Committee's view, this provision, together with proposed new section 1516(2) (A), which would provide for the procurement of rehabilitation and health care and services from VA health-care facilities for chapter 31 participants, would help to provide for the furnishing of all services needed to meet the rehabilitation and health needs of the veteran in a comprehensive, coordinated manner. Of course, under the definitions of "program of independent living services and assistance" and "vocational rehabilitation program" in proposed new section 1501 (4) and (9), determinations that such care and services are necessary to achieve a rehabilitation purpose would continue to be required.

(10) Prosthetic appliances, eyeglasses, and other corrective and assistive devices. Present section 1506 authorizes the Administrator to furnish chapter 31 participants with "prosthesis" on the same basis as medical care, treatment, and hospitalization, as discussed above in connection with clause (9) of this subsection; and the same VA regulations noted above (38 CFR § 21.253) provide for the "[f]urnishing and repair of orthopedic and/or prosthetic appliances." Thus, in a manner similar to that discussed above in connection with clause (9) of this subsection, it is the Committee's intention to authorize the Administrator to provide comprehensively, as part of chapter 31 programs, for the furnishing of all corrective and assistive devices that chapter 31 participants require.

(11) Services to a veteran's family as necessary for the effective rehabilitation of such veteran. There is no specific provision for such services in current law as part of vocational rehabilitation. However, under chapter 17, relating to health care and services, the VA has authority to provide such mental health services, consultation, professional counseling, and training for a veteran's family members as may be essential for the effective treatment or rehabilitation as part of the veteran's VA hospital care (section 601(5)(B)) and as part of outpatient services in connection with the treatment of a service-connected disability or, under certain circumstances, following VA hospitalization (section 601(6)(B)). Thus, although such services generally could be provided as chapter-17-described services under clause (9) of this subsection (discussed above), the Committee intends by specially including necessary services to the veteran's family to assure that all necessary services to the family will be available and to underscore the Committee's view that such services may be very important to the rehabilitation process in some cases.

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(12) License fees, essential equipment, supplies, and minimum stocks of materials that the Administrator determines necessary for the most severely disabled veterans requiring homebound training or self-employment, or both, and that are within the criteria and cost limitations that the Administrator would be required to prescribe in regulations. There is no provision in current law for the furnishing or such fees, equipment, supplies, and stocks, and, under VA regulations (38 CFR §§ 21.239 and 21.242), relating to furnishing supplies to veterans pursuing training in the home and furnishing veterans with special equipment, only such supplies and special equipment as are necessary for the veteran's training are furnished. Thus, Committee bill would provide new authority for the Administrator to provide certain very severely disabled veterans to undertake the gainful employment for which training had with "start-up" items necessary for the veteran been provided.

(13) Travel and incidental expenses under the terms and conditions set forth in section 111 of title 38, plus, in the case of a veteran who, because of his or her disability, has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage. Under subsection (a) of present section 111, the Administrator is authorized to "pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, of any person to or from a Veterans' Administration facility or other place in connection with vocational rehabilitation. . . .", and under subsections (b) and (c), the Administrator may pay the fee and travel expenses of an attendant for a chapter 31 participant.

The Committee bill would provide assurance that the extraordinary travel costs of a seeriously disabled veteran do not interfere with his or her participation in rehabilitation and efforts to seek and embark upon employment.

(14) Special services related to blindness and deafness, including language training, speech and voice correction, training in ambulation, and one-hand typewriting; orientation, adjustment, mobility, reader, interpreter, and related services; and telecommunications, sensory, and other technical aids and devices. There is no express provision for such special services, aids, and devices under current chapter 31. However, under chapter 17 (health care), "mechanical or electronic equipment" to overcome the handicap of blindness (section 614(b)) and therapeutic and rehabilitative devices (section 617) may be provided to certain service-connected disabled veterans. VA regulations authorize the provision, under chapter 31, of "special equipment made up of items which, because the nature of the veteran's handicap are necessary to enable him to undertake and pursue successfully the prescribed course of training", including "[s]pecial equipment . . . required for training purposes . . . to overcome the handicap of blindness (38 CFR § 21.242 (a) and (b)), and, under certain circumstances, reader service, necessary for the successful pursuit of a course of vocational rehabilitation by a veteran with a visual impairment" (38 CFR § 21.279(a)). The purpose of this provi-

sion of the Committee bill would thus be to provide an explicit statutory basis in chapter 31 for the provision of whatever special services, aids, and devices may be needed in connection with enabling blind or deaf eligible veterans to participate successfully in a chapter 31 rehabilitation program.

(15) Services necessary to enable a veteran to achieve maximum independence in daily living. There is no express provision in current law or VA regulations for furnishing, under chapter 31, such independent living services. However, under chapter 17, health care, rehabilitative services that may be provided as part of hospital care and medical services to eligible veterans are sufficiently broad in scope to cover such services (section 601 (5), (6), and (8)).

Under the Committee bill, independent living services would be authorized to be provided, under chapter 31, at any stage of participation that they are needed.

Subsection (b) would provide that a program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796). Thus, this provision would assure that all of the services which are available to nonveterans under Federally-assisted State rehabilitation programs would be made available to veterans in need of such services and assistance. There is no comparable provision under current law.

Subsection (c) would subject rehabilitation programs (including individual courses) under chapter 31 to the approval of the Administrator. Present section 1502(a) states "such vocational rehabilitation [shall be furnished] as [may be] prescribed by the Administrator". VA regulations generally refer to approval of training in excess of 4 years (38 CFR §21.206) and section 210 of title 38 relating to the general authority of the Administrator implies such authority. However, there appears to be no explicit authority to provide for the requirement that the Administrator approve rehabilitation programs in the individual case. Thus, the Committee bill would codify the Administrator's right to approve or disapprove rehabilitation programs under chapter 31.

Section 1505.—Duration of rehabilitation programs: Would establish the length of time, in months, that an eligible veteran would have entitlement to benefits under this chapter.

Subsection (a): Would provide that, in the case of a veteran for whom the reasonable feasibility of achieving a vocational goal is undetermined, the period of extended evaluation (discussed below in the analysis of proposed new section 1506(b)) may not exceed 12 months, except that the duration of extended evaluation may be extended for additional periods of up to 6 months if the Administrator determines that during the extended period it would be reasonably likely that a determination could be made as to whether or not the achievement of a vocational goal is reasonably feasible for such a veteran.

Since current law does not provide for extended evaluations, there is no comparable provision in current law regarding the months of entitlement to such evaluation.

Subsection (b): Would, except as provided in subsection (c) of this new section, provide that, following a determination that the achievement of a vocational goal is reasonably feasible for a veteran, the period of a vocational rehabilitation program for a veteran may not exceed 48 months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in proposed new section 1504(a) (2) and (5) may be provided for an additional period of up to 18 months.

Present section 1502(b) provides that a course of vocational rehabilitation may not exceed 4 years unless the Administrator prescribes a longer period. By regulation (38 CFR §§ 21.20(b) and 21.203(c)), this general 4-year limitation has, in the case of institutional training, been equated with 48 months of entitlement, and charges to entitlement for three-quarter and half-time training are measured and assessed on the same basis as charges to entitlement for GI bill training under chapter 34. VA regulations (38 CFR § 21.290) also require the provision of "follow assistance" for employed veterans "where . . . it is determined that such assistance is required" and provide for such assistance to continue "for a period of time necessary to determine that there is reasonable assurance that [the veteran] . . . has made a satisfactory employment adjustment."

In providing for 48 months of basic entitlement, the Committee intends to provide for continuation of the current administrative policy with respect to the charging of entitlement for part-time institutional training and to provide for the extension of that policy to include such independent living training, extended evaluation, and training or work experience in a Federal agency for no or nominal pay as is provided on a part-time basis.

With respect to the express provision for counseling, placement, and postplacement services generally for up to 18 months beyond the basic 48-month period in the cases of veterans with serious employment handicaps, it is the Committee's intention to underscore the VA's responsibility to provide such assistance to these veterans after the completion of training in order to assure that they receive all appropriate help in obtaining and maintaining suitable employment. Of course, in appropriate cases, this 18-month period could be extended in accordance with subsection (c) of this new section.

Subsection (c): Would, in the case of a veteran determined to have a serious employment handicap, provide the Administrator with authority to extend the duration of a period of vocational rehabilitation beyond 48 months to the extent necessary to enable the veteran to achieve a vocational goal where the veteran's need for further vocational rehabilitation arose out of a worsening of the veteran's service-connected disability to the extent that the veteran is prevented from performing the duties of the occupation for which the veteran had been rehabilitated, or the veteran had previously been rehabilitated under chapter 31 to the point of employability, but either the occupation for which the veteran had been rehabilitated proved not to be appropriate in view of the veteran's employment handicap or abilities.

In addition, the Administrator would be given discretionary authority to provide an extension where the Administrator determines, under regulations which the Administrator would be required to prescribe, than an extension is necessary to carry out the purposes of chapter 31 (as set forth in proposed new section 1500).

Under current law, present action 1502(b), the Administrator is given broad discretion to prescribe a period of vocational rehabilitation longer than 4 years, and by regulation (38 CFR § 21.206) training is authorized for a period greater than 4 years where, among other situations, the veteran "cannot be trained to employability in [a suitable occupation] . . . without exceeding 4 years of training time", or "training in excess of 4 years is necessary in order to qualify the seriously handicapped veteran for employment."

It is the Committee's intention in providing for broad discretion, under regulations that the Administrator must prescribe, to grant an extension to a veteran with a serious employment handicap to allow for similarly broad standards to be applied in such cases as long as the extension would actually be necessary to carry out the purposes of vocational rehabilitation under chapter 31.

Subsection (d): Would provide that the duration of a program of independent living services and assistance for a veteran for whom it has been determined that the achievement of a vocational goal is not reasonably feasible, may not exceed 24 months, unless a longer period is necessary and likely to result in a substantial increase in a veteran's level of independence in daily living.

Since current law does not provide for such programs of independent living services and assistance, there is no comparable provision in current law regarding the duration of such programs.

New section 1506.—Initial and extended evaluations; determinations regarding serious employment handicap.

Subsection (a): Would require that each veteran with a service-connected disability who applies for benefits under this chapter be provided with an initial evaluation consisting of such diagnostic and evaluative services described in new section 1504(a)(1) as are necessary to determine whether the veteran has a serious employment handicap and to determine, if reasonably feasible during an initial evaluation, whether the achievement of a vocational goal is reasonably feasible for the veteran. (In addition, under section 1504(a)(1)(B), evaluation services would be provided for the purposes of planning a suitable vocational rehabilitation program for the veteran.) The determination in all cases whether the veteran has a serious employment handicap is, under the provisions of the Committee bill, necessary in all cases because various other provisions—including certain delimiting period extension provisions (new section 1503(c)), and provisions authorizing additional months of entitlement (new section 1505(c)), and requiring certain counseling services (new section 1506(b)), the development of an individualized written plan of vocational rehabilitation (new section 1507(a)), and the assignment of a case manager (new section 1506(e))—are keyed to the determination that such a handicap exists. There is no comparable provision in current law.

Subsection (b): Would require that, where it is determined that the veteran has a serious employment handicap and that the achievement of a vocational goal is reasonably feasible, the veteran be provided with counseling in accordance with an individualized written plan of vocational rehabilitation. (The plan and the inclusion of provision of counseling in the plan would be required under proposed new section 1057(a).) There is no comparable provision in current law.

Subsection (c): Would provide that, where it is determined that a veteran has a serious employment handicap but it cannot be determined during the initial evaluation pursuant to subsection (a) of this new section whether or not a vocational goal for the veteran is reasonably feasible, the veteran is to be placed in extended evaluation. During extended evaluation, diagnostic and evaluative efforts would be provided to attempt to determine whether or not a vocational goal is reasonably feasible and, as appropriate, to plan a program to improve the veteran's vocational rehabilitation potential and independent living abilities. In addition, a veteran in extended evaluation would be entitled to such services under this chapter as the Administrator determines necessary to improve the veteran's vocational rehabilitation potential and to achieve maximum independence in daily living. During a period of extended evaluation, the veteran would be entitled to an allowance as specified in new section 1508 (a) (1), (b), and (d) (2).

There are no comparable provisions under current law.

Subsection (d): Would require that determinations regarding the reasonable feasibility of achieving a vocational goal be made as expeditiously as possible and that any reasonable doubt be resolved in favor of determining that the achievement of a vocational goal is reasonably feasible. If the veteran has been placed in extended evaluation under subsection (c) of this new section, the determination regarding the feasibility of a vocational goal would be required to be made by the end of the period of extended evaluation, including any extensions of that period granted under new section 1505(a). These requirements are intended to asure that veterans are not needlessly placed or continued in extended evaluation when there is a reasonable possibility of involving them in vocational training.

There is no comparable provision in current law.

New section 1507.—Individualized vocational rehabilitation plan:

Subsection (a): Would require the Administrator to formulate an individualized written plan of vocational rehabilitation for each veteran determined to have a serious employment handicap. Each such plan would be required to be developed jointly with the veteran and to include, but not be limited to: (1) A statement of long-range rehabilitation goals and intermediate rehabilitation objectives related to achieving those goals; (2) a statement of the specific services, which must include counseling in all cases, and assistance to be provided the veteran; (3) the projected date for the initiation and the anticipated duration of each such service; (4) objective criteria and an evaluation procedure and schedule for determining whether the objectives and goals are being achieved; and (5) the name and business address and telephone number of the Veterans' Administration employee (case manager) assigned responsibility, pursuant to new section 1506(e), for the management and follow-up of the provision of services and assistance to the veteran.

There is no comparable provision in current law and VA regulations (38 CFR § 21.212) requiring in all cases a "detailed individual training program" are less specific with respect to the content of the program.

Subsection (b): Would require the Administrator to review the plan at least annually and afford the veteran the opportunity to participate in the review. Based on this review, the Administrator would be required, jointly with the veteran, to redevelop the plan as appropriate.

There is no comparable provision in current law or VA regulations.

Subsection (c): Would provide for a special appeal process if the veteran does not agree either to the plan, its redevelopment, or the denial of its redevelopment. Thus, this subsection would require that, prior to agreeing to the plan or to any redevelopment or denial of redevelopment of the plan, the veteran be informed of his or her opportunity for a review. The procedures for such a review would be as follows: If the veteran does not agree to the plan or redevelopment or denial of redevelopment of the plan, the veteran may submit to his or her "case manager" (the VA employee described in new section 1506 (e)) a written statement setting forth the veteran's objections to the plan and requesting a review of the plan as proposed to him or her. The Administrator would be required to review the plan as proposed and the veteran's statement, and to render a decision within 90 days after the veteran submits his or her statement unless a longer period of up to 150 days is allowed in certain cases under regulations prescribed by the Administrator.

It is the Committee's intention that, unless the veteran is receiving assistance from another person in preparing his or her statement objecting to the plan, such as a service officer of a veterans' service organization, VA personnel would, upon request, provide the veteran with any assistance that he or she may need in expressing his or her objections in writing. With respect to the conduct of the review, the Committee expects that generally a first review would be conducted within the VA regional office administering benefits to the veteran and that, where appropriate and necessary, a further review would be conducted in the VA Central Office. The provision for allowing between 90 and 150 days for completion of the review is intended to allow for an extended review period in extraordinary cases or where Central Office review is provided. In all cases, it is the Committee's intention that an impartial review be provided and that no such appeal be finally denied except by VA personnel in a higher administrative position than the employee or employees who proposed the plan. Also, the Committee notes that this special review process is intended to supplement, not supplant, the veteran's other rights in general VA adjudications and appeals processes.

There are no comparable provisions in current law.

New section 1508.—Allowances: Would provide for the computation and payment of allowances for veterans participating in programs under this chapter and increase by 10 percent existing monthly subsistence allowance rates.

Subsection (a); Would provide that—except for veterans who make an election pursuant to subsection (f) of this new section to receive, in lieu of a subsistence allowance and certain other chapter 31 forms of assistance, an allowance and assistance equal to those provided to veterans enrolled in training under chapter 34, relating to GI Bill educational assistance—subsistence allowances would be paid to a veteran during any period, as determined by the Administrator, that the veteran is participating in extended evaluation or a rehabilitation program (proposed to be defined in new section 1501(6) to include both a vocational rehabilitation program and a program of independent living services and assistance). In addition, a veteran who has a serious employment handicap and who, at the conclusion (either by completion or by early termination) of such veteran's pursuit of a program of vocational rehabilitation, has been determined to be rehabilitated to the point of employability, would be paid a subsistence allowance for the following 2 months at the full-time rate for the type of training the veteran had been pursuing.

Present section 1504(a) provides for the payment of a subsistence allowance only for participation in a course of vocational rehabilitation. Thus, the Committee bill would provide for allowances in two new categories of chapter 31 participation that the Committee bill would create—extended evaluation and a program of independent living services and assistance.

The provision in this subsection of this new section for the payment to a veteran with a serious employment handicap of a subsistence allowance for the 2 months following the veteran's pursuit of a program of vocational rehabilitation under this chapter would replace the provisions of present section 1504(a) which entitles a veteran who has been determined to be employable to the payment of a subsistence allowance for 2 months after that determination has been made. Under VA regulations (38 CFR §§ 21.204 and 21.281), the making of that determination corresponds with the completion or termination of the course of training, and the Committee bill provision would be consistent with those regulations. In the case of a veteran who trained on a part-time basis, however, whereas VA regulations (38 CFR § 21.134) limit this 2-month post-training payment to twice the part-time rate that the veteran was receiving when he or she was determined to be employable, the Committee bill would provide for such payments to be at the full-time rate in all cases for the type of training involved. In addition, there is no distinction in current law between those who have and do not have a serious employment handicap.

Where a veteran has elected to receive a chapter-34-equivalent allowance in lieu of a subsistence allowance, it is the Committee's intention that the postvocational training allowance be based on the chapter 31 subsistence allowance applicable to the type of training that the veteran has pursued.

Subsection (b): Would, in terms substantively equivalent to the provisions of present section 1508(b), provide for the computation of subsistence allowances for veterans participating in a program of vocational rehabilitation based on whether the type of program being pursued is institutional training or is farm cooperative, apprenticeship, or other on-job training, and would provide a 10-percent increase in the subsistence allowance rates for vocational rehabilitation. In addition, this subsection would provide for the computation of new allowances for extended evaluation and a program of independent living services and assistance. In both cases, the full-time rate would be equal to the full-time rate for institutional training for a program of vocational rehabilitation. Less than full-time rates for extended evaluation would be established in regulations which the Administrator would be required to prescribe under subsection (d)(2) of this new section. Three-quarter-time and half-time rates for programs of independent living services and assistance would be equal to the corresponding part-time institutional training rates for vocational rehabilitation programs.

Subsection (c): Would continue in effect the substance of the provisions of present section 1504(c) which require that, where the veteran's vocational rehabilitation includes training on the job, the employer submit to the VA monthly statements of the income that the veteran has received from the employer and which authorize the Administrator to reduce the subsistence allowance payable to the veteran for the months involved to an amount considered equitable and just. However, the Committee bill would add a requirement that the Administrator prescribe regulations setting forth criteria for exercising the authority to make such reductions.

In addition, this subsection would clarify that, where a veteran is pursuing, as part of a vocational rehabilitation program, on-job training or work experience in a Federal agency (under the provisions of new section 1516(a)(1)) without pay or for nominal pay, the veteran is entitled to a subsistence allowance at the appropriate rate provided in subsection (b) of this new section for institutional training. Under present section 1511, training or work experience in a Federal agency for which no pay is received is authorized as part of vocational training, and, under the VA's interpretation of the current law provisions establishing subsistence allowance rates, present section 1504(b), payments in such cases are required to be made at the rate provided for on-job training—a rate that is lower than the institutional training rate in light of the fact that on-job training participants ordinarily receive some wages. Since, in the Committee's view, the institutional rate is more appropriate where the training or work experience is for no or nominal pay, the Committee bill would so provide.

Paragraph (1) of subsection (d): Would require the Administrator to define, for a veteran participating in a rehabilitation program, full-time and each part-time status in accordance with regulations that the Administrator would be required to prescribe that would not be inconsistent with regulations governing the determination of such status under chapter 34, relating to GI Bill educational assistance. Under present section 1504(d), the Administrator is required to define full-time and part-time, but there is no requirement for the Administrator to prescribe regulations or to define full-time status and part-time status under chapter 31 so as to avoid inconsistency with full- and part-time status definitions under chapter 34.

Paragraph (2) of subsection (d): Would provide that, in the cases of a veteran participating in extended evaluation on less than a full-time basis, a subsistence allowance may be paid, in accordance with regulations that the Administrator must prescribe, at a rate proportional to the full-time rate for extended evaluation. Since current law makes no provision for extended evaluation, there is no comparable provision in current law.

Subsection (e): Would provide that, where a veteran is pursuing a rehabilitation program on a full-time basis in a specialized rehabilitation facility, the Administrator may, upon the veteran's request, pay the facility for the cost of the veteran's room and board in lieu of paying, the veteran the subsistence allowance otherwise payable, exclusive of any amounts payable to the veteran for dependents, and pay to the veteran any subsistence allowance amount payable for the veteran's dependents. Thus, where the facility's charges for room and board exceed the single-veteran allowance rate, the VA would be authorized to pay those charges that the veteran would be unable to pay from the allowance payable for his or her subsistence if it were paid. This subsection would not apply in the case of a veteran participating in a rehabilitation program while receiving care in a medical facility at VA expense under chapter 17, relating to health care; subsection (i) of of this new section would apply in such cases.

There are no comparable provisions in current law.

Subsection (f): Would permit a veteran—to the extent that he or she has remaining eligibility for and entitlement to GI Bill educational assistance benefits under chapter 34—to elect chapter- 34-equivalent benefits in lieu of certain services and assistance provided for in chapter 31. To receive chapter-34-equivalent benefits, the veteran must be pursuing training that would qualify for such benefits as an approved program of education under chapter 34, and the benefits would consist (1) of an allowance equal in amount to the amount of the chapter 34 educational assistance allowance payable for that type of training and (2) other forms of assistance available to a veteran pursuing such training under chapter 34 (such as education loans under section 1798, a work-study allowance under section 1685, and a tutorial assistance allowance under section 1692). The chapter-34-equivalent benefits would be provided in lieu of the chapter 31 benefits for which the veteran would otherwise be eligible under new section 1504(a)(3) (the subsistence allowance and other assistance authorized under the provisions of this new section, section 1508, other than the provisions of this subsection), (7) (vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and certain equipment and other materials), and 1504(a)(8) (loans under new section 1512). Where a veteran makes an election under this subsection, the terms and conditions applicable to the pursuit of a comparable chapter 34 program of education and to the payment of allowances and provision of assistance under chapter 34 (for example, provisions relating to charges to entitlement and the making of education loans) would apply to the veteran's pursuit of an approved program of education under chapter 31.

There is no comparable provision in current law.

Subsection (g): Would modify the method of payment of subsistence allowances in the case of an incarcerated veteran participating in rehabilitation under chapter 31 in a manner similar to that in section 207(3) of H.R. 5288, as passed by the Senate on January 24, 1980, would modify the method of payment of educational assistance allowances to incarcerated veterans pursuing GI Bill training on a half-time or more basis under chapter 34. (See section 107(3) of S. 870 as reported on September 7, 1979, S. Rept. No. 96–314, 96th Cong., 1st sess.)

Paragraph (1) of subsection (g): Would require the Administrator, where the veteran has no dependents, to withhold all subsistence allowances during the veteran's incarceration and pay the allowances withheld to the veteran at the time of the veteran's release from incarceration. Upon the veteran's request, the Administrator would invest the amounts withheld in United States Government securities. If investment in securities is made, the Committee intends that the Administrator seek to invest the funds in the highest interest yielding securities. These withholding and investment provisions are designed to block the flow into prisons of funds not needed for educational costs and to provide for the accrual of funds to assist incarcerated veterans in readjusting to society upon their release.

Where the veteran has one or more dependents, the Administrator would pay the subsistence allowance to the dependent or dependents designated by the veteran to the extent that both the veteran and the dependent so designated request payment of the allowance to be made. To the extent that the veteran does not request payment to a particular dependent of an amount payable on account of that dependent, or the dependent does not join in the request, the amount involved would not be accrued by or paid to the veteran. Amounts not paid to or payable on account of the veteran's dependent, would, as in the case of a veteran with no dependents, be withheld, invested in securities (if the veteran so request), and given to the veteran upon release from incarceration. These provisions for veterans having dependents would serve the same purposes described above with respect to veterans without dependents, and would, in addition, by requiring both the veteran and dependent to agree to any payment to a dependent, protect some dependents of incarcerated veterans from the unwitting loss of eligibility for various forms of public assistance through the receipt of allowances that may be of less value to the dependents than such assistance.

Paragraph (2) of subsection (g): Would provide that the provisions of paragraph (1) of this new subsection would not apply in the case of eligible veterans pursuing rehabilitation programs while in halfway houses or on work-release programs. In these instances, such veterans would receive allowances under chapter 31 on the same basis as nonincarcerated veterans.

There is no comparable provision in current law.

Subsection (h): Would provide a method of payment of allowances to a veteran participating in a chapter 31 program of vocational rehabilitation who has elected to receive chapter-34-equivalent allowances under subsection (f) (discussed above) of this new section for the pursuit of training on a half-time or more basis. This method of payment would be substantively identical to the method provided for in the Senate-passed provisions in section 207(3) of H.R. 5288 for the withholding, during the veteran's incarceration, of amounts in excess of the costs to the veteran of tuition and fees, the conversion of any withheld amounts to Government securities, payments to dependents, and payments to the veteran upon release. In this regard, this subsection makes no provision for incarcerated veterans training on a less than halftime basis, since present section 1682(b) in chapter 34, which would govern the payment of allowances in such cases, provides that, in the case of such training, payment is made only for the cost of tuition and fees, or the half-time rate, whichever is the lesser. (It should be noted that this subsection would be unnecessary if section 207(3) of H.R. 5288 as passed by the Senate is enacted since proposed subsection (f) of this new section would provide that the terms and conditions applicable to chapter 34 educational assistance allowances would apply to the chapter-34-equivalent allowances and the provision that H.R. 5288 would add would then apply.) The provisions of the Committee bill would provide as follows:

Paragraph (1) of subsection (h): Would provide that, where an eligible veteran is pursuing a program of education on a half-time or more basis, payment of a chapter-34-equivalent allowance would be made directly to the veteran in an amount no greater than the cost of tuition and fees. If the veteran has one or more dependents, the dependents' allowance in excess of the cost of the veteran's tuition and fees would be paid to the veteran's dependent or dependents, but only if the veteran requests such payment and the dependent or dependents concur in such request. If no such request is made, or the dependent or dependents do not concur, no dependents' allowances would be paid or accrued. The portion of the veteran's allowance in excess of the cost of tuition and fees, if any, would be held in escrow by the Administrator under the same terms and conditions specified for veterans with no dependents or released to the dependents if the veteran requests such release and the dependents concur in the request. This provision, by requiring both the veteran and dependent to agree, would protect some dependents of incarcerated veterans from the unwitting loss of eligibility for various forms of public assistance through the receipt of allowances that may be of less value to the dependents than such assistance.

Any amounts accrued by the veteran, but not paid to the veteran or the veteran's dependents, would be held in escrow by the Administrator for the veteran and would be released to the veteran at the time of his or her release from incarceration. At the request of the veteran, the Administrator would invest such excess amount in United States Government securities. If such investment is made, the Committee intends that the Administrator seek to invest the funds in the highest interest yielding securities. This provision is designed to block the flow into prisons of funds, being paid in the form of assistance allowances not needed for educational costs and to provide for the accrual of funds to assist incarcerated veterans in readjusting to society upon their release.

Paragraph (2) of subsection (h): Would provide that the provisions of paragraph (1) of this new subsection would not apply in the case of eligible veterans pursuing training while in halfway houses or on work-release programs. In those instances, such veterans would receive allowances on the same basis as nonincarcerated veterans.

Subsection (i): Would provide that, in the cases of veterans receiving care in a hospital, nursing home, or domiciliary facility at VA expense if the veteran has been institutionalized for more than 30 days, the allowances payable under this chapter to the veteran would accrue and be withheld (and converted to securities), paid to dependents, and paid to the veteran upon discharge from the facility under the same terms and conditions set forth in subsection (g) or (h) of this new section—depending on whether the veteran had made an election under subsection (f) of this new section. However, upon the request of the veteran, the Administrator would pay to the veteran so much of the allowance as the veteran needs to meet his or her continuing financial obligations during such institutionalization.

There is no comparable provision in current law.

Subsection (j): Would recodify the provision in present section 1502(d) authorizing subsistence allowance payments to be made in advance in accordance with section 1780 of title 38 to veterans participating in a rehabilitation program under chapter 31.

New section 1509.—Entitlement to independent living services and assistance: Would provide that, where the Administrator has determined under new section 1506(d) that the achievement of a vocational goal is not reasonably feasible for a veteran, such veteran shall be entitled, pursuant to the provisions of new section 1520 (which, as discussed below, provide for a pilot program of independent living services and assistance for veterans as to whom it is determined that the achievement of a vocational goal is not reasonably feasible), to a program of independent living services and assistance designed to enable the veteran to achieve maximum independence in daily living.

There is no comparable provision in current law.

New section 1510.—Leaves of absence: Would, in terms generally substantively identical to the provisions of present section 1505, authorize the Administrator to prescribe regulations for granting leaves of absences to chapter 31 participants. However, the provision in present section 1505 limiting such leaves of absence for a veteran to no more than 30 days in any 12-month period would be deleted. The Administrator would thus be given the discretion to reconsider that limitation and to incorporate it in the regulations with or without modification or not at all.

During authorized leave, the veteran would, as under present section 1505, be considered to be pursuing a program of rehabilitation and would be entitled to continue to receive an allowance under this chapter during a period of authorized leave.

New section 1511.—Regulations to promote satisfactory conduct and cooperation: Would require the Administrator to prescribe such rules and regulations as the Administrator determines to be necessary to promote satisfactory conduct and cooperation on the part of veterans pursuing rehabilitation programs under chapter 31. Where a veteran fails to maintain satisfactory conduct or cooperation, the Administrator would be authorized, after determining that all reasonable counseling efforts have been made and are not reasonably likely to be effective, to discontinue services and assistance under chapter 31 unless the Administrator determines that mitigating circumstances exist. Where services and assistance have been discontinued, the Administrator would be authorized to reinstitute them only if the Administrator determines that the cause of the veteran's unsatisfactory conduct or cooperation has been removed and that the veteran's rehabilitation program (whether the same as the veteran's previous program or a revised program) is suitable to the veteran's abilities, aptitudes, and interests.

Present section 1508 contains a substantively similar requirement for the Administrator to prescribe rules and regulations to promote "good" (as compared to "satisfactory" in the Committee bill) conduct and cooperation on the part of veterans participating in vocational rehabilitation, and specifically provides that penalties for the breach of such rules and regulations may extend to (1) forfeiture of 3 months of subsistence allowances, and (2) permanent disqualification from further vocational rehabilitation. No specific provisions regarding the nature and extent of penalties are set forth in the Committee bill. The Committee does not generally favor the imposition of penalties in such situations.

There are no provisions in current law comparable to the Committee bill provisions which mandate the exhaustion of reasonable counseling efforts prior to a discontinuance of rehabilitation services and assistance and establish standards for reinstituting rehabilitation services and assistance after a discontinuance.

New subsection 1512.—Revolving fund loans: Would recodify with certain modifications, present section 1507, relating to the making of loans to chapter 31 participants from a revolving fund. The Committee bill would increase the maximum amount that may be loaned to a chapter 31 participant from $200 to twice the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in new section 1508(b) (2×$265=$530).

As under current law, these loans would bear no interest and would be repaid in installments as determined by the Administrator, by deductions from future payments of compensation, pension, or retirement pay. The Committee bill would also provide for the deduction of installment payments from subsistence allowances or educational assistance allowances.

Under the Committee bill, loans under this provision would not be available to veterans who have elected, under new section 1508(f), to receive chapter-34-equivalent allowances and assistance, because chapter 34 makes provision for such veterans to obtain loans under present subchapter III of chapter 34.

Section 306 of the Committee bill would provide that the increase in the maximum loan would take effect only to such extent or in such amounts as are contained in Appropriations Acts if, under a rule of the House of Representatives or the Senate, such a provision is required in order for a bill providing for such an increase to be in order at the time the House of Representatives or Senate passes a bill providing for this increase. (See the analysis of section 306, below).

New section 1513.—Books, supplies, and equipment: Would recodify, without substantive change, the provision of present section 1509, relating to the release to a veteran of books, supplies, and equipment furnished to him or her under this chapter and the required return and disposition of such books, supplies, and equipment (or repayment for their reasonable value) when, because of the veteran's fault, he or she has failed to complete the course involved.

New section 1514.—Vocational rehabilitation for hospitalized members of the Armed Forces and veterans:

Subsection (a): Would recodify the provisions of present section 1510, which authorize the provision of vocational rehabilitation under chapter 31 to an individual in the active military, naval, or air service, who is hospitalized pending discharge from active service and who, but for the fact that he or she has not been discharged or released, would be eligible for participation in a chapter 31 program. The only substantive modification would be to expand this authority to include the provision of all services and assistance (other than a subsistence allowance or chapter-34-equivalent allowance pursuant to new section 1508(f)) under chapter 31, not just vocational rehabilitation as under present section 1510. As under current law, since such an individual would be receiving his or her military pay while participating in rehabilitation, no allowance would be payable.

Subsection (b): Would expressly authorize the provision of services and assistance under chapter 31 to a veteran who is receiving care in a VA hospital, nursing home care, or domiciliary care facility or in any other hospital or medical facility. Current law neither specifically authorizes nor prohibits the provision of chapter 31 services and assistance in such circumstances. However, VA regulations (38 CFR § 21.226) prescribe certain rules and conditions for the provisions of training under chapter 31 while a veteran is hospitalized in a VA facility. It is the Committee's intention that, as a result of the enactment of this provision, the Administrator reevaluate such regulations and expand them to include appropriate provisions relating to the provision of all rehabilitation services and assistance provided for in the Committee bill and the provisions of such services and assistance in VA nursing home and domiciliary care facilities and other health-care facilities, as well as in VA hospitals.

New section 1515.—Vocational rehabilitation outside the United States: Would authorize, pursuant to regulations that the Administrator must prescribe, a chapter 31 participant to pursue a program of vocational rehabilitation outside the United States if the Administrator determines that such training is necessary in a particular case to provide the preparation needed to render the veteran employable and that vocational rehabilitation outside the United States is in the best interest of the veteran and the Federal Government.

Current law, present section 1502, simply prohibits the provision of vocational rehabilitation outside the United States to a veteran "on account of post-World War II service if the veteran, at the time of such service, was not a citizen of the United States". However, current VA regulation (38 CFR §21.20(c)) limits the availability of vocational rehabilitation in a foreign country (other than the Philippines) by specifying that such training may be authorized only if adequate training for the selected objective is not available in the United States and if training is pursued under the direct supervision of a representative of the VA. According to the VA's report entitled *A Study of the Provisions for Veterans Vocational Rehabilitation, Chapter 31, Title 38, United States Code*, submitted in February 1978, this regulation has the effect of essentially ruling out the possibility of foreign training since the VA has no means of furnishing direct supervision of vocational rehabilitation trainees in foreign countries.

Thus, the Committee bill would establish specific criteria under which the Administrator would be required to prescribe regulations to permit pursuit of vocational rehabilitation training outside the United States—as pursuit of postsecondary education is permitted outside the United States for participants in the chapter 34 or 35 educational assistance programs pursuant to sections 1676 and 1723 of title 38 (as proposed to be clarified by sections 206(b) and 303(3), respectively, of S. 870 as passed by the Senate in H.R. 5288 on January 24, 1980). The Committee bill would also eliminate the prohibition based on citizenship at the time of service.

New section 1516.—Rehabilitation resources:

Subsection (a): Would generally authorize the Administrator—in providing training or work experience as part of a chapter 31 participant's vocational rehabilitation program—to make use of various Federal facilities, staff, and resources and would authorize the Administrator to employ such additional personnel and experts as the Administrator considers necessary. The Administrator would also be authorized, in providing any services under chapter 31, to make use of facilities and services maintained by joint Federal and State contributions, private institutions and establishments and private individuals.

Present section 1151 provides the Administrator with substantially the same authorities with respect to the provision of vocational rehabilitation.

Paragraph (1) of subsection (b): Would provide that a veteran pursuing on-job training or work experience as part of his or her vocational rehabilitation program would be considered an employee of the United States for purposes of being entitled to Federal employees workers' compensation (under chapter 81 of title 5, United States Code), if injured while engaged on this on-job training or work experience, but would not be considered a Federal employee for purposes of laws administered by the Office of Personnel Management.

Present section 1511 contains substantively identical provisions.

Where such training or work experience is afforded a veteran who has a serious employment handicap, it is the Committee's intention that the veteran's individualized written plan of rehabilitation so provide.

Paragraph (2) of subsection (b): Would specifically authorize the Administrator to contract with the VA's Department of Medicine and Surgery (DM&S) for the use of DM&S facilities and services for the provision of rehabilitation services under chapter 31—including hospital care and medical services authorized under chapter 17, relating to VA health care, as provided for in a veteran's individualized written plan of rehabilitation under new section 1507, relating to plans for vocational rehabilitation, or new section 1520(a), relating to plans for independent living services and assistance—and would authorize reimbursement of DM&S for such services. Under current law, DM&S provides certain rehabilitative services (defined in present section 601(8)) under chapter 17 of title 38 as part of hospital and medical care of veterans, but coordination with chapter 31 programs has been cited as a major difficulty. This provision is designed to help overcome such difficulties by providing a strong relationship between chapter 31 rehabilitation activities and DM&S medical care. Also, under current law, health-care services provided by DM&S to chapter 31 partcipiants are funded through the VA's medical care appropriations account even though the care is directly related to the veteran's rehabilitation. The Committee bill provision would provide for the funding of such care through the VA's readjustment benefits account which, as a source of expenditures for entitlements, is a more secure funding source.

The amounts of payments to DM&S for such services would be determined in accordance with accounting principles used within DM&S at the time the services are provided and would be subject to review and modification by the Administrator with respect to the reasonableness of DM&S's proposed charges. Except as provided in chapter 17, which sets forth certain criteria, in present section 601(4)(C), for the provision of health care and services at VA expense in non-VA facilities, hospital care and medical services provided under this chapter would be required to be furnished in VA facilities.

There are no comparable provisions in current law. The Committee notes that the general requirement that health care and services for chapter 31 participants be furnished by VA facilities would place chapter 31 participants on an equal basis with other service-connected disabled veterans with respect to eligibility for contract care in non-VA facilities. Under the amendment to the present 612(i) proposed to be made by section 301 of the Committee bill, chapter 31 participants would be entitled to the same priority consideration in the provision of VA outpatient care as veterans with service-connected disabilities rated as 50 percent or more disabling.

Paragraph (3) of subsection (b): Would provide that the use of non-VA facilitities, as authorized in subsection (a) of this new section for the provision of rehabilitation services under chapter 31, shall be procured through contract, agreement, or rather cooperative arrangement. This provision codifies the current general VA practice with respect to the making of arrangements for the use of non-VA facilities. The only express provision currently in chapter 31 in this respect, present section 1511(4), authorizes the VA to make use of public or private institutions or establishments "by agreement or contract".

New section 1517.—Employment assistance: Would require the Administrator to provide a wide range of employment assistance efforts to disabled veterans who have participated in vocational rehabilitation under chapter 31 or in Federal-State programs under the Rehabilitation Act of 1973. Thus, this new section provides a much greater emphasis on employment assistance than the only provision currently in chapter 31 regarding such assistance, present section 1511, which authorizes—but does not require—the Administrator to "cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons who have received vocational rehabilitation".

Subsection (a): Would provide that employable service-connected disabled veterans who have particpiated in a vocational rehabiliation program under chapter 31 or a similar Federal-State program under the Rehabilitation Act of 1973 shall be provided—and, to the extent resources are available, employable veterans without service-connected disabilitties, may be provided—with assistance in obtaining suitable employment. Such assistance would include direct VA placement services, use of the services of veterans' employment and training outreach program specialists under new section 2003A (proposed to be added by section 209(a) of the Committee bill), and the placement services of Federal-State programs under the Rehabilitation Act of 1973, State employment services and the Veterans' Employment Service of the Department of Labor, the Office of Personnel Management, and other public or non-profit organizations having placement services available.

The Committee bill would also require the Administrator to provide assistance to assure that veterans receive the benefit of any applicable provision of law or regulation which provides for special consideration, emphasis, or preference to be given veterans in employment or training.

Paragraph (1) of subsection (b): Would require the Administrator to cooperate with the Small Business Administration (SBA) (1) to assist veterans who have completed chapter 31 vocational rehabilitation for self-employment in a small business enterprise to secure a loan for the purchase of equipment necessary to establish such veteran's own business and (2) to assure that the veteran receives the special consideration with respect to SBA loans provided for in section 8 the Small Business Act (15 U.S.C. 633(b)).

Paragraph (2) of subsection (b): Would provide that the Administrator may—under the terms and conditions set forth in new section 1504(a)(12) (discussed above), relating to the provision of certain equipment, stocks, and supplies to the most severely disabled veterans requiring homebound training or self-employment, or both, to enable them to begin employment—furnish veterans who have trained under a Federal-assisted State rehabilitation program with the objective of self-employment in a small business enterprise, such supplementary equipment and initial stocks and supplies as the veteran needs if those materials (or assistance, such as a loan, in acquiring them) are not available through the State program or other sources (such as the Small Business Administration).

Subsection (c): Would require the Administrator to prescribe, with the concurrence of the Secretary of Labor, regulations under which payments would be authorized to be made to employers for providing on-job training to veterans rehabilitated under this chapter to the point of employability where necessary for the veteran to obtain needed training or to begin employment. The formulation of such regulations would be required to take account of the provisions of title V of the Rehabilitation Act of 1973 and regulations prescribed thereunder, requiring that certain Federal contractors take affirmative action with respect to the employment of handicapped persons and prohibiting programs or activities receiving Federal financial assistance from discriminating against otherwise qualified handicapped persons, and section 2012 of title 38, requiring certain Federal contractors to take affirmative action with respect to the employment of certain service-connected disabled veterans and Vietnam-era veterans. This requirement that such provisions be taken into account is intended to avoid unnecessary Federal expenditures in situations where the prospective employer is otherwise required to make a special effort—including making reasonable workplace accommodations—to provide for the employment of the veteran concerned. Payments under this subsection would not be permitted to exceed the direct expenses incurred in providing the on-job training or the employment opportunity.

This subsection would also provide that, if a veteran is participating in such on-job training and the training meets the criteria for payment of a training assistance allowance under present section 1787, relating to GI Bill training assistance allowances for on-job training under chapter 34, the veteran shall—to the extent that he or she has remaining eligibility for and entitlement to such an allowance—be paid that allowance.

New section 1518.—Personnel training, development, and qualifications:

Subsection (a): Would require the Administrator to provide a program of ongoing professional training and development for VA chapter 31 counseling and rehabilitation personnel in order to assure that rehabilitation services for veterans are provided according to the most advanced knowledge, methods, and techniques. The Administrator would be authorized to employ the services of consultants and make grants to and contract with public and private agencies in order to conduct such training and development.

There is no comparable provision in current law.

Subsection (b): Would require the Administrator to coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education and the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor in planning and carrying out personnel training in areas of mutual programmatic concern.

There is no comparable provision in current law.

Subsection (c): Would require the Administrator to establish qualifications for chapter 31 psychologists and the VA employees (case managers) assigned responsibility for the management and followup of rehabilitation services to veterans who have a serious employment handicap. In establishing such qualifications, the Administrator would be required to take into account the qualifications required for psychologists employed by the VA's Department of Medicine and Surgery and the qualifications required of psychologists and persons carrying out case-management responsibilities in Federal-State vocational rehabilitation programs under the Rehabilitation Act of 1973.

There is no comparable provision in current law.

New section 1519.—Rehabilitation research and special projects:

Subsection: (*a*) Would require the Administrator to carry out ongoing programs for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For that purpose, the Administrator would be required to conduct and provide support for research and studies concerning various specified aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation, and for projects designed to increase the resources and potential for accomplishing the rehabilitation of disabled veterans.

Subsection (b): Would, for the purpose specified in subsection (a) of this new section, authorize the Administrator to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

Subsection (c): Would require the Administrator to cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education, the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and the Secretary of Health and Human Services regarding studies, research, and special projects of mutual programmatic concern.

There is no comparable provision in current law.

New section 1520.—Pilot program of independent living services and assistance: Would provide for a 4-year (fiscal years 1982 through 1985) pilot program of contract independent living services and assistance for those severely disabled veterans for whom the achievement of a vocational goal is determined not be reasonably feasible.

Subsection (a): Would authorize the Administrator, during fiscal years 1982 through 1985, to contract with public or nonproofit agencies (including the Department of Medicine and Surgery (DM&S) under new section 1516(b)(2), authorizing the Administrator to procure from DM&S rehabilitation services under chapter 31) to provide in various geographic areas programs of independent living services and assistance under chapter 31 to veterans for whom it is determined that the achievement of vocational goals is not reasonably feasible. This authority to enter into contracts would be limited to contracts with agencies that have a demonstrated capacity to conduct independent living services programs for handicapped persons, and the Administrator would be required to prescribe regulations regarding the contract services and assistance to be provided under this subsection and establishing criteria for the selection of veterans to participate in this pilot program. No more than 500 veterans per year could be taken into the pilot program in each of the 4 fiscal years of the program, and first priority in selection would be required to be given to veterans for whom the reasonable feasibility of a vocational goal is precluded solely as the result of a service-connected disability. To the maximum extent feasible, the Administrator would include among those selected substantial numbers of veterans receiving long-term care in VA hospitals and nursing care homes and in other nursing care homes at VA expense. To be eligible to participate, a veteran must have remaining entitlement (under new sections 1502 and 1505(d)) and eligibility (under new section 1503 (a) and (d)) for independent living services and assistance.

Veterans participating in the pilot program would be provided such services described in new subsections (a) and (b) of new section 1504, which, respectively, set forth the scope of services and assistance generally authorized for chapter 31 participants and authorize the provision, in programs of independent living services and assistance, of the range of services and assistance authorized under section 702 of the Rehabilitation Act of 1973 to be provided to participants in Federal-State rehabilitation programs. In addition, this subsection would provide veterans participating in the pilot program with the same rights with respect to an individualized written plan of services and assistance as are afforded under new section 1507 to veterans participating in a vocational rehabilitation program.

Any contract for services that is initiated with respect to a veteran before the end of fiscal year 1985 could be continued thereafter for the purposes of providing services and assistance to the veteran.

Subsection (b): Would, in order to assist the Congress in assessing the effectiveness of programs of independent living services and assistance for severely disabled veterans and determining whether such programs should be expanded to reach all such veterans and be made a permanent entitlement under chapter 31, mandate a study by the Administrator focusing on the accomplishments and cost-effectiveness of the pilot program and require that a report on the results of the study, including the Administrator's recommendations, be submitted to the Congress not later than September 30, 1984, the end of the third fiscal year of the 4-year pilot program. The study would be required to develop information (to be included in the report) on the extent to which (1) the program meets needs for comprehensive independent living services that would not otherwise have been met, (2) severely disabled veterans are helped through the program to achieve and maintain greater independence in daily living, and (3) the costs of care in hospital, nursing home care, and domiciliary care facilities have been and may be avoided through the provision of independent living services.

New section 1521.—Veterans' Advisory Committee on Rehabilitation: Would establish a Veterans' Advisory Committee on Rehabilitation (hereafter referred to as "the Committee").

Subsection (a): Would require the Administrator to appoint the members of the Committee from the general public, with not less than half the membership being service-connected disabled veterans. The Committee would also include individuals who have distinguished themselves in the public and private sectors in certain fields relevant to the rehabilitation of veterans. In order to help assure adequate coordination within the VA and among relevant Federal agencies and to assure that the Committee has the perspectives of Federal officials with particularly relevant responsibilities, the Committee would include representatives of the VA's Department of Medicine and Surgery and Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, of the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and of the Secretary of Health and Human Services.

Subsection (b): Would require the Administrator to advise and consult with the Committee on a regular basis regarding the administration of veterans' rehabilitation programs under title 38.

Subsection (c): Would require the Committee to submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the VA, including an assessment of the rehabilitation needs of veterans and a review of the VA's programs and activities designed to meet those needs, and such other reports or recommendations as the Committee deems appropriate.

There is no comparable provision in current law.

New section 1522.—Evaluations after individual unemployability adjudications: Would require, after the adjudication of a service-connected disabled veteran's claim for a rating of total disability on the grounds of individual unemployability and if the Administrator considers that the veteran may have the potential for vocational rehabilitation and employment, that the veteran be provided with a comprehensive diagnostic evaluation by chapter 31 VA personnel. This provision is designed to help assure that a veteran with vocational rehabilitation potential would be afforded every opportunity and encouragement for participation in vocational rehabilitation as close as possible to the time when a disability-related, severe employment problem is recognized.

There is no comparable provision in current law.

Subsection (b) of section 101 would amend the tables of chapters at the beginning of title 38 and part III of title 38 in the United

States Code to reflect the amendment to the title of chapter 31 proposed to be made by section 101(a) of the Committee bill.

Title I.—Cost: It is estimated that the enactment of the provisions of title I of the Committee bill would cost $27.8 million in fiscal year 1981 and a total of $177.6 million in fiscal years 1981 through 1985.

TITLE II—EMPLOYMENT AND EDUCATION AMENDMENTS

Part A—Program Improvements

Section 201

Would amend present section 220, relating to Veterans' Administration efforts to promote the coordination of all Federal programs affecting veterans and their dependents.

Clause (1) of section 201 would amend the heading of present section 220 to reflect the changes proposed to be made by this section of the Committee bill.

Clause (2) of section 201 would amend present section 220 to require the Administrator actively to promote the effective implementation, enforcement, and application of all provisions of law and regulations relating to employment, training, and other opportunities for veterans, and, in carrying out this responsibility, to place particular emphasis on the needs of veterans with service-connected disabilities and of other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of title 38, relating to employment and training of disabled and Vietnam-era veterans. The Committee's intention regarding this emphasis is to assure, first, that the needs of service-connected disabled veterans are emphasized, and, second, with respect to all other veterans eligible for the benefit of such laws and regulations, that the Administrator give particular attention to the needs of categories of veterans with relatively high rates of unemployment (such as young Vietnam-era veterans and minority group Vietnam-era veterans) and those veterans focused upon by chapter 42 (as it is proposed to be amended by section 802 of S. 870 as passed by the Senate in H.R. 5288 on January 24, 1980)—Vietnam-era veterans. (Chapter 42 also applies to veterans with serious service-connected disabilities, but they would be included in the first category for emphasis.)

Present section 220 makes the Administrator responsible for seeking to achieve maximum feasibility effectiveness, coordination, and interrelationship of all programs and activities affecting veterans carried out by all agencies of the Federal Government. The purpose of this amendment is to require that, with respect to employment, training, and other opportunities, the Administrator also take an active advocacy role by promoting effective implementation of the various laws. Thus, the Administrator would be responsible for seeking to ensure that programs conducted by the VA, as well as provisions implemented by other Federal agencies affecting veterans—for example, the CETA program within the Department of Labor, the VCI program conducted by the Department of Education, the civil service veterans' preference laws, and the provisions mandating preference for veterans under the Small Business Act—are implemented effectively in accordance with the law and congressional intent.

Clause 3 of section 201 would amend the present table of sections of chapter 3 to reflect the changes proposed by this section of the Committee bill.

Section 201—Cost: Enactment of the provisions of section 201 is estimated to entail no significant cost.

Section 202

Would amend clause (1) of present section 244, relating to the utilization of other agencies in carrying out the purposes of subchapter IV of chapter 3 of title 38, which include the provision of effective outreach services to eligible veterans with respect to VA benefits and services, to require the Administrator, in cooperation with the Secretary of Labor, to seek actively to promote the development and establishment of employment, training, and other opportunities for veterans. In carrying out this responsibility, the Administrator would be required to place special emphasis (as proposed in section 201 of the Committee bill with respect to the active promotion of the implementation of laws relating to such opportunities) on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42, as discussed above.

Clause (1) of present section 244 currently requires the Administrator only to make certain arrangements with the Secretary of Labor to match eligible veterans with appropriate job or job-training opportunities. Thus, the purpose of this amendment is to place with the Administrator the additional responsibility, in cooperation with the Secretary, to promote employment, training, and other opportunities for veterans through benefits and services administered by the VA—for example, the VA's on-job training program. Thus, the Administrator would have the responsibility, in connection with the VA's outreach services program, to promote actively VA programs of job, on-job training, and other employment-related opportunities for eligible veterans.

Section 202—Cost: Enactment of the provisions of section 202 is estimated to entail no significant cost.

Section 203

Would amend present section 1652, relating to definitions for the purposes of veterans' educational assistance under present chapter 34, to clarify that the definitions applicable to chapter 34 in present section 1652 apply as well to chapter 36, relating to the administration of educational benefits. Currently, certain of these definitions do not expressly apply to chapter 36 despite the fact that the terms involved are used extensively in chapter 36.

Section 203—Cost: Enactment of the provisions of section 203 is estimated to entail no cost.

Section 204

Would amend present section 1701(a), relating to definitions for the purposes of survivors' and dependents' educational assistance under present chapter 35, to make the same type of clarifications proposed by section 203 of the Committee bill with respect to the applicability to chapter 36 of definitions in chapter 34.

Section 204—Cost: Enactment of the provision of section 204 is estimated to entail no cost.

Section 205

Would amend present section 1772, relating to the approval of education and training courses for purposes of veterans', and survivors' and dependents', educational assistance under present chapters 34 and 35, respectively, to add a new subsection (d), as follows:

New subsection (d): Would make the Administrator responsible for the approval of all programs of training on the job (including apprenticeship programs) for purposes of the utilization of GI Bill benefits and provide that the Administrator may exercise this responsibility directly or through agreements with non-VA sources, including State approving agencies. The new subsection would also require that, pursuant to regulations jointly prescribed by the Administrator and the Secretary of Labor, the Administrator actively promote the development of programs of training on the job for purposes of the utilization of GI Bill benefits and utilize, as appropriate, the services of the veterans' employment and training outreach program specialists proposed in section 209 of the Committee bill.

Under current law, State approving agencies function as the approval agents for programs of training on the job (except for certain apprenticeship programs in which interstate carriers provide the training involved in more than one State), and extensive criteria for the approval of such programs are codified in section 1777. It is the purpose of this amendment to place the responsibility of approval with the Administrator in order to foster streamlining of the approval process itself (as proposed in the revisions of the secion 1777 approval criteria set forth in section 206 of the Committee bill) and make the Administrator directly accountable for the timely and cost-effective approval of maximum opportunities for VA programs of training on the job for veterans and other eligible persons.

Section 205—Cost: It is estimated that enactment of the provisions of section 205, together with the enactment of section 206 of the Committee bill, would cost $1.9 million in fiscal year 1981 and a total of $15.9 million in fiscal years 1981 through 1985. (This estimate does not assume enactment of the targeted delimiting date extension proposed in S. 870 as passed by the Senate in H.R. 5288 on January 24, 1980; if such an extension were encated, enactment of the provisions of sections 205 and 206 of the Committee bill would cost an additional $1.7 million in fiscal year 1981 and $6.7 million in fiscal years 1981 through 1985.)

Section 206

Would amend present section 1777, relating to the approval of programs of training on the job for the purposes of veterans', and survivors' and dependents', educational assistance under present chapters 34 and 35, respectively.

Clause (1) of section 206 would make conforming amendments in present section 1777(a), relating to the criteria for the approval of training on the job, to reflect the changes proposed by section 205 of the Committee bill regarding the direct responsibility of the Administrator for the approval programs of training on the job.

Clauses (2) and (3) of section 206 would amend subsections (b) and (c) of present section 1777, relating to the criteria for the approval of training on the job, to delete the existing provisions and replace them with a revised subsection (b) that would require the Administrator and the Secretary of Labor jointly to prescribe regulations—in order to carry out the provisions of present section 1777(a) (as proposed to be amended by clause (1) of this section of the Committee bill) and to assure the appropriateness of training—specifying criteria for the approval of programs of training on the job (including registered and nonregistered apprenticeship training meeting the standards of apprenticeship published by the Secretary pursuant to present section 50a of title 29). Criteria for the approval of a program of training on the job other than a program of apprenticeship would be required to include the following certifications:

(1) The training content and procedures of the course are adequate to qualify the individual for the job for which training is received. This criterion is identical to the criterion set forth in present section 1777(c) (1), except that the training procedures of the course (as well as the training content of the course as under current law) would be taken into account. In this regard, the Committee notes that certain specified criteria set forth in present section 1777(c) would be deleted—such as requirements for related instruction; adequate space, equipment, instructional material, and instructor personnel; and adequate records of progress. It is not the Committee's intention to prohibit the inclusion of such criteria in the approval process for a program of training. Rather, the Committee intends that, in prescribing regulations to specify the criteria for approving programs of training on the job, the Administrator review the criteria in present section 1777(c) regarding training procedures and determine whether to include, modify, or omit all or some of those criteria in the new regulations.

(2) The wages meet certain criteria identical to those set forth in present section 1777(b) (1).

(3) A reasonable certainty exists, as required in present section 1777(b) (2), that the job involved will be available at the end of the training period.

(4) The job customarily requires full-time training of not less than 3 months and the length of the training period is no longer than customarily required by training establishments in the community. Under clauses (2) and (3) of present section 1777(c), the length of training may not be less than 6 months or longer than 2 years and the length of training may not exceed the length of training customarily required by training establishments in the community. The effect of this provision would thus be to reduce the minimum length of training and to delete the 2-year maximum.

Thus, it is the purpose of this section of the Committee bill to provide for the streamlining of the approval criteria in light of changes that have occurred in the area of on-the-job training programs since the enactment of this section in 1971 in Public Law 90-77, including the development of an extensive Federal expertise with the operation of such programs and, at the same time, to preserve the integrity of the VA's program of training on the job in providing quality training to veterans and other eligible persons.

Section 206—Cost: The cost of the enactment of the provisions of section 206 have been estimated in conjunction with the cost of the enactment of section 206; the combined estimate of the costs of enactment of both sections is noted above in the analysis of section 205.

Section 207

Would make conforming amendments in present section 1787(a), relating to the payment of a training assistance allowance for the pursuit of a program of training on the job, to reflect the changes proposed to be made by sections 203, 204, and 205 of the Committee bill.

Section 207—Cost: Enactment of the provisions of section 207 is estimated to entail no cost.

Section 208

Would amend present section 2003, relating to assignment of State veterans' employment representatives, to require the Secretary of Labor to assign full-time clerical support to each State veterans' employment representative. Current law makes no explicit reference to clerical support for the State veterans' employment representatives, but such support is presently provided directly by the Secretary. However, such direct support was threatened by budgetary cutbacks for fiscal year 1980. The effect of this amendment would be to assure the continuation of this support against any cutbacks that may be proposed in the future.

Section 208—Cost: Enactment of the provisions of section 208 is estimated to entail no cost.

Section 209

Would amend present chapter 41, relating to job counseling, training, and placement service programs for veterans.

Subsection (a) of section 209 would add a new section 2003A, entitled "Veterans' Employment and Training Outreach Program," to establish a program of employment and training outreach modeled on the highly successful Disabled Veterans Outreach Program (DVOP), conducted under the Comprehensive Employment and Training Act (CETA). The new section would consist of five subsections as follows:

Subsection (a) of new section 2003A: Would require the Secretary of Labor to provide sufficient funds to each State for the establishment of a program of veterans employment and training outreach. The funds provided each State would be required to be sufficient to support the assignment of one veterans' employment and training outreach program (VETOP) specialist for each 5,300 Vietnam-era and service-connected disabled veterans residing in the State. This would establish the program at a level of approximately 2,000 specialists nationwide. These specialists would be in addition to the employees of local employment service offices assigned pursuant to present section 2004 and would not be considered employees of the employment services in each State for the purposes of any personnel ceiling level established by the Federal Government for State employment agencies. Each VETOP specialist position would be required to be filled by a service-connected disabled veteran of the Vietnam era or a service-connected disabled veteran, unless the Secretary finds that such a veteran is not available, in which case any veteran (as defined in section 101(2) of title 38) may serve in the position. VETOP specialists would be paid at a rate not less than the rate prescribed for an entry level professional in the personnel system of the State concerned. In addition to funds for the salaries of these specialists, funds would be required to be made available to the State by the Secretary for training, travel, and supplies and fringe benefits for each specialist.

Subsection (b) of new section 2003A: Would provide that, pursuant to regulations prescribed by the Secretary, VETOP specialists must be assigned only those duties directly related to meeting the employment needs of eligible veterans and that priority of services to such veterans be in the following order: To disabled Vietnam-era veterans who are participating in or have completed a program of vocational rehabilitation under chapter 31 of title 38, to other disabled veterans, and to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphasis set forth in chapter 42. (The terms "applicable rates of employment" and "employment emphases set forth in chapter 42" are discussed in the analysis of section 201(2) of the Committee bill, above.) Maximum emphasis would be required to be placed on assisting economically or educationally disadvantaged veterans.

This new subsection would provide that not more than three-quarters of the VETOP specialists in a particular State may be stationed in local employment service offices in that State and would require that specialists not stationed in such local offices be stationed at VA readjustment counseling centers established pursuant to present section 612A, United States Veterans' Assistance Centers established pursuant to present section 242, and other appropriate sites, as determined under regulations to be prescribed jointly by the Secretary and the Administrator. The Committee expects that such other sites would include community-based organizations and VA or Department of Labor regional offices.

Subsection (c) of new section 2003A: Would prescribe the functions for the VETOP specialists and require that, in carrying out these functions, for the VETOP, these specialists provide services in accordance with the priorities set forth in subsection (b) of new section 2003A. The VETOP specialists' functions are set forth in clauses (1) through (7) of subsection (c), as follows:

Clause (1) of subsection (c): Would require VETOP specialists to develop job and job training opportunities for eligibile veterans through contacts with employers. Emphasis would be required to be placed on the development of such opportunities through contacts with small- and medium-sized private sector employers.

Clause (2) of subsection (c): Would make VETOP specialists responsible, pursuant to regulations to be prescribed jointly by the Secretary and the Administrator, for promoting, developing, and, as appropriate, approving programs of training on the job pursuant to section 1787 as proposed to be amended by section 206 of the Committee bill. It is the Committee's intention that such regulations permit VETOP specialists to maximize opportunities for programs of training on the job for eligible veterans and foster linkages between the VA's program and other Federal employment assistance efforts, such as the Targeted Jobs Tax Credit established by Public Law 95-600, while preserving the successful aspects of the existing in the VA's program of training on the job.

Clause (3) of subsection (c): Would require VETOP specialists to carry out outreach activities to locate eligible veterans through contacts with local veterans' organizations, the VA, State employment security agencies, local employment service offices, and community-based organizations.

Clause (4) of subsection (c): Would require VETOP specialists to provide appropriate assistance to community-based organizations and CETA prime sponsors in providing services to eligible veterans.

Clause (5) of subsection (c): Would require VETOP specialists to provide appropriate assistance to employees of local employment services offices (assigned pursuant to existing section 2004) in carrying out their responsibilities related to veterans. In this regard, it is the Committee's intention that VETOP specialists not be mainstreamed into the day-to-day operations of the local employment services office, but rather that, with respect to programs for veterans, they supplement and enhance the services already provided by these local employees.

Clause (6) of subsection (c): Would require VETOP specialists to consult and coordinate with representatives of other Federal, State, and local programs for the purpose of developing maximum linkages between various programs in order to promote employment opportunities for and provide maximum employment assistance to eligible veterans.

Clause (7) of subsection (c): Would require VETOP specialists to carry out other duties that would promote entry-level and career opportunities for veterans.

Subsection (d) of new section 2003A: Would provide that those individuals serving as DVOP staff on the date of enactment of this section would be appointed as VETOP specialists unless good cause is shown in individual cases for not making such an appointment. The purpose of the provision is to provide for an orderly transition and assured continuity between the two programs.

Subsection (e) of the new section 2003A: Would provide for the Secretary to administer VETOP through the Deputy Assistant Secretary for Veterans' Employment (DASVE) or a successor to that office (as is provided for in section 805 of S. 870 as passed by the Senate in H.R. 5288 on January 24, 1980). It is the Committee's intention that the DASVE have functional responsibility for the implementation, monitoring, and enforcement of the provisions of this new section.

Subsection (b) of section 209 would amend the present table of sections of chapter 41 to reflect the changes proposed by this section of the Committee bill.

Section 209—Cost: Enactment of the provisions of section 209 is estimated to cost *$12.9* million in fiscal year *1981* and a total of *$160.1* million in fiscal years 1981 through 1985. The cost reflects an offset of a total of *$38.7* million representing the projected cost of DVOP as now funded by the Department of Labor.

Part B—GI Bill Rate Increases

The amendments made by this part would provide for a 10-percent increase in the rates of educational assistance under chapters 34, 35, and 36 of title 38, in lieu of the 15-percent increase passed by the Senate in title I of H.R. 5288 on January 24, 1980.

Section 210

Would amend chapter 34, relating ot veterans' educational assistance, to increase by 10 percent the rates of educational assistance.

Clause (1) of section 210 would amend subsection (b) of present section 1677, relating to the computation of charges to a veteran's educational assistance entitlement for the receipt of an educational assistance allowance for the pursuit of flight training, to increase by 10 percent the educational assistance allowance amount based on which 1-month's entitlement to educational assistance is charged.

Clause (2) of section 210 would amend present section 1682, relating to the computation of educational assistance allowances, to increase the rates of such allowances by 10 percent. (Under present section 1732, the rates in section 1682 for institutional, farm cooperative, and independent study training for a veteran without dependents apply to survivors' and dependents' educational assistance under chapter 35. Thus, the rate increase provided for in this clause would apply to assistance for such training under chapter 35.)

Clause (3) of section 210 would amend present section 1692(b) relating to individualized tutorial assistance, to increase by 10 percent the maximum monthly amount and total maximum amount payable to an eligible veteran for tutorial assistance.

Section 211

Would amend chapter 35, relating to survivors' and dependents' educational assistance, to increase by 10 percent certain rates of educational assistance.

Clause (1) of section 211 would amend present section 1732(b), relating to the computation of the educational assistance allowances paid for pursuit of certain full-time programs of education consisting of institutional courses and alternate phases of training in a business or industrial establishment, to increase the rate by 10 percent.

Clause (2) of section 211 would amend present section 1742(a), relating to the training allowance for special restorative training, to increase by 10 percent the rates of allowances payable and entitlement charged for pursuit of a course of such training.

Section 212

Would amend chapter 36, relating to administration of educational benefits, to increase by 10 percent the references to the rates of certain educational assistance allowances.

Clause (1) of section 212 would amend present section 1786(a)(2), relating to the computation of charges to educational assistance entitlement for the receipt of a educational assistance allowance for the pursuit of training by correspondence, to increase by 10 percent the educational assistance allowance amount based on which 1-month's entitlement to educational assistance is charged.

Clause (2) of section 212 would amend present section 1787(b), relating to the computation of training assistance allowances payable to veterans and other eligible persons for apprenticeship or other on-job training, to increase by 10 percent the rates of training assistance allowances for pursuit of such training.

Clause (3) of section 212 would amend present section 1798(b)(3), relating to the maximum aggregate amount of VA educational loans that may be made to any veteran or other person, to increase the maximum aggregate amount within the existing overall limit of $2,500 by 10 percent.

Part B—Cost: Enactment of the provisions of Part B is estimated to cost $284.4 million in fiscal year 1981 and a total of $1.1 billion in fiscal years 1981 through 1985.

TITLE III—TECHNICAL PROVISIONS; EFFECTIVE DATE

Section 301

Would amend present section 612(f)(2) to provide chapter 31 participants with the same eligibility for VA outpatient care that veterans with service-connected disabilities rated at 50-percent-or-more disabling presently have. This would have the effect of including chapter 31 participants together with 50-percent-rated veterans in the second priority category for VA outpatient care in present section 612(i), behind veterans receiving treatment for a service-connected disability, and of making chapter 31 participants eligible for contract care on the same basis as 50-percent-rated veterans (which is the same, under present section 601(4)(C)(i) and (ii), as the basis on which contract care is available for the treatment of a service-connected disability). However, a chapter 31 participant receiving care for a service-connected disability would, of course, retain his or her entitlement to priority in the first category.

Section 302

Would amend present section 1781 to add a reference to the chapter 31 subsistence allowances to the existing provisions barring the payment of chapter 34, 35, or 36 educational assistance allowances to an individual who is on active duty in the Armed Forces and is pursuing a course of education which is being paid for by the Armed Forces (or by' the Department of Education or Health and Human Services in the case of the Public Health Service), and to an individual who is training under the Government Employees Training Act and receiving a full salary while in such training. For the purposes of this provision, the term "subsistence allowance" would be specifically defined to include a chapter-34-equavalent allowance paid pursuant to new section 1508(f), as proposed to be amended by section 101(a) of the Committee bill.

Section 303

Would amend section 1795, generally limiting to 48 months (or part-time equivalent thereof) the aggregate period for which a person may receive assistance under the laws cited therein, to delete chapter 31 from—and include chapter 32, relating to the post-Vietnam-era veterans' educational assistance program in—the listing of the laws to which that limit applies. In addition, section 1795 would be amended to provide that no person could receive assistance under chapter 31 in combination with assistance under the laws cited therein for a period in excess of 48 months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits under chapter 31 are required to accomplish the rehabilitation purposes set forth in chapter 31 (in new section 1500 as proposed to be added by section 101(a) of the Committee bill).

Under current law, chapter 32 is not included and chapter 31 is included in the listing of laws to which the 48-month maximum applies, but that limit is explicitly made inapplicable to the receipt of assistance under chapter 31 alone.

Thus, the effects of this amendment are to subject the receipt of chapter 32 benefits in combination with other VA educational assistance to the 48-month maximum and to authorize the Administrator to provide an exception to the 48-month maximum for a chapter 31 participant where necessary for rehabilitation purposes, as discussed above.

Section 304

Would amend section 1631(a)(1) to clarify that the 36-month (or part-time equivalent) limitation on the receipt of benefits under chapter 32, relating to the post-Vietnam-era veterans' educational assistance program, would be subject to the provisions of section 1795, as proposed to be amended by section 303 of the Committee bill, as discussed above.

Section 305

Would add a new subsection (h) to present section 1682, relating to educational assistance allowances payable to chapter 34 GI Bill trainees, to modify the method of payment of such allowances to eligible veterans while they are receiving care for more than 30 days in a VA hospital, nursing home, or domiciliary facility, or other health-care facility at VA expense. The method of payment, as proposed to be revised, would be substantively identical to that described above in the analysis of new section 1681(i) as proposed to be added by section 101(a) of the Committee bill.

Section 306

Would amend present section 1624(a), relating to the chapter 32 post-Vietnam-era veterans educational assistance program, to modify the provision designating those to whom a deceased chapter 32 participant's unused contributions to the chapter 32 educational fund are to be paid. Under curent law, such unused contributions are paid to the person or persons designated by the deceased participant as the beneficiaries of the participant's Servicemen's Group Life Insurance (SGLI) policy, or, where the participant had no SGLI policy or had made no such designation, to the deceased participant's estate.

The Committee bill would provide that the deceased participant's unused contributions to the chapter 32 educational fund be paid to the living person first listed below:

The participant's SGLI beneficiary.
The participant's surviving spouse.
The participant's surviving child or children, in equal shares.
The participant's parents.

Thus, under the Committee bill, only where there is no SGLI beneficiary or surviving spouse, child, or parent would payment be made to the participant's estate.

Section 307

Would provide that—if, on the date that either the House of Representatives or the Senate passes a bill containing the amendments to sections 1512 and 1798(b)(3) of title 38 proposed to be made by sections 101(a) and 211(3) of the Committee bill to increase the maximum amounts of VA direct loans under chapters 31 and 34, respectively (vocational rehabilitation subsistence loans and GI Bill education loans), a rule in that body requires that, for the bill to be in order it must provide that the authority to make such loans in such increased amounts shall be effective only to such extent or in such amounts as are contained in appropriation Acts—such authority would be effective only to such extent or in such amounts. This provision is added to the bill in anticipation of the possibility that section 16 of S. Con. Res. 86, as passed by the Senate on May 12 and currently pending in conference, may be adopted as part of the rules of the Senate and the House regarding new guaranteed and direct loans. Section 16 provides:

> It shall not be in order in the House or Senate to consider any bill, resolution, or amendment authorizing new direct loans or new loan guarantees unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts. This section shall not apply to agricultural price support and related programs of the type in operation on January 1, 1980, which are funded through the Commodity Credit Corporation.

Section 308

Would provide for an October 1, 1980, effective date for the Committee bill except in two respects in connection with veterans who are participating in chapter 31 vocational rehabilitation on the day before the effective date (hereinafter referred to as "current participants").

First, in light of the practical impossibility of individualized written plans of vocational rehabilitation being prepared (under new section 1507 as proposed to be added by section 101(a) of the Committee bill) for all current participants on the first day that the legislation goes into effect, the Administrator would be authorized to provide for the formulation of plans for these veterans on the bases of feasibility and priorities that the Administrator would determine.

Second, the granting of delimiting period and entitlement extensions, under new section 1503(c) and 1505(c), respectively, providing for extensions under certain circumstances in the cases of veterans with serious employment handicaps, would be authorized for current participants without a requirement that they be determined to have a serious employeemnt handicap. This provision would both facilitate the administration of the transition to the new program and assure that current participants do not lose their eligibility for consideration for extensions on the grounds that they are determined not to have such a handicap.

Title III—Costs: Enactment of the provisions of title III of the Committee bill is estimated to entail no significant cost.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or proxy by Members of the Committee on Veterans' Affairs at a April 2, 1980, meeting to consider S. 1188.

The Committee agreed to report S. 1188, with an amendment in the nature of a substitute, favorably to the Senate by a unanimous 10–0 vote, as follows:

Yeas—10

Alan Cranston	**Spark Matsunaga**
Herman Talmadge	**Alan Simpson**
Jennings Randolph	**Strom Thurmond**
Richard (Dick) Stone	**Robert Stafford**
John Durkin	**Gordon Humphrey**

* * * * * * *

CHANGES IN EXISTING LAW MADE BY S. 1188, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 38—VETERANS' BENEFITS

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PART I—GENERAL PROVISIONS

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CHAPTER 3—VETERANS' ADMINISTRATION; OFFICERS AND EMPLOYEES

SUBCHAPTER I—VETERANS' ADMINISTRATION

Sec.
201. Veterans' Administration an independent agency.
202. Seal of the Veterans' Administration.
203. Availability of appropriations.

SUBCHAPTER II—ADMINISTRATOR OF VETERANS' AFFAIRS

210. Appointment and general authority of Administrator; Deputy Administrator.
211. Decisions by Administrator; opinions of Attorney General.
212. Delegation of authority and assignment of duties.
213. Contracts and personal services.
214. Report to the Congress.
215. Publication of laws relating to veterans.
217. Studies of rehabilitation of disabled persons.
218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations.
219. Evaluation and data collection.
220. Coordination *and promotion* of other Federal programs affecting veterans and their dependents.

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Subchapter II—Administrator of Veterans' Affairs

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§ 220. Coordination *and promotion* of other Federal programs affecting veterans and their dependents

The Administrator shall seek to achieve the maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all other departments, agencies, and instrumentalities of the executive branch and shall seek to achieve the maximum feasible coordination of such programs with programs carried out under this title, *and shall actively promote the effective implementation, enforcement, and application of all provisions of law and regulations providing for special consideration, emphasis, or preference relating to employment, training, and other related opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title.*

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Subchapter IV—Veterans Outreach Services Program

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§ 244. Utilization of other agencies

In carrying out the purposes of this subchapter, the Administrator shall—

(1) arrange with the Secretary of Labor for the State employment service to match the particular qualifications of an eligible veteran or eligible dependent with an appropriate job or job training opportunity, to include where possible, arrangements for outstationing the State employment personnel who provide such assistance at appropriate facilities of the Veterans' Administration, *and, in cooperation with the Secretary, actively seek to promote the development and establishment of employment, training, and other opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title;*

(2) cooperate with and use the services of any Federal department or agency or any State or local governmental agency or recognized national or other organization;

(3) where appropriate, make referrals to any Federal department or agency or State or local governmental unit or recognized national or other organization;

(4) at his discretion, furnish available space and office facilities for the use of authorized representatives of such governmental unit or other organization providing services; and

(5) conduct and provide for studies in consultation with appropriate Federal departments and agencies to determine the most effective program design to carry out the purposes of this subchapter.

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CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

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Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

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§ 612. Eligibility for medical treatment

(a) * * *

* * * * * * *

(f) The Administrator, within the limits of Veterans' Administration facilities, may furnish medical services for any disability on an outpatient or ambulatory basis—

(1) to any veteran eligible for hospital care under section 610 of this title (A) where such services are reasonably necessary in preparation for, or (to the extent that facilities are available) to obviate the need of, hospital admission, or (B) where such a veteran has been furnished hospital care and such medical services are reasonably necessary to complete treatment incident to such hospital care (for a period not in excess of twelve months after discharge from in-hospital treatment, except where the Administrator finds that a longer period is required by virtue of the disability being treated); and

(2) to any veteran who has a service-connected disability rated at 50 per centum or more *any veteran for whom medical services are provided pursuant to an individualized written plan of rehabilitation developed under chapter 31 of this title.*

The Administrator may also furnish to any such veteran such home health services as the Administrator determines to be necessary or appropriate for the effective and economical treatment of a disability of a veteran (including only such improvements and structural alterations the cost of which does not exceed $600 (or reimbursement up to such amount) as are necessary to assure the continuation of treatment or provide access to the home or to essential lavatory and sanitary facilities. The Administrator may also furnish outpatient dental services and treatment, and related appliances, to any veteran described in subsection (b)(7) of this section.

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PART III—READJUSTMENT AND RELATED BENEFITS

Chapter | Sec.
31. [Vocational] *Training and* Rehabilitation *for Service-Connected Disabled Veterans* .... [1501] *1500*
32. Post-Vietnam Era Veterans' Educational Assistance 1601
34. Veterans' Educational Assistance 1650
35. Survivors' and Dependents' Educational Assistance 1700
36. Administration of Educational Benefits 1770
37. Home, Condominium, and Mobile Home Loans 1801
39. Automobiles and Adaptive Equipment for Certain Disabled Veterans and Members of the Armed Forces 1901
41. Job Counseling, Training, and Placement Service for Veterans 2001
42. Employment and Training of Disabled and Vietnam Era Veterans 2011
43. Veterans' Reemployment Rights 2021

CHAPTER 31—[VOCATIONAL] *TRAINING AND* REHABILITATION *FOR SERVICE-CONNECTED DISABLED VETERANS*

Sec.
1500. Purpose.
1501. Definitions.

Sec.
1502. Basic entitlement.
1503. Periods of eligibility.
1504. Scope of services and assistance.
1505. Duration of rehabilitation programs.
1506. Initial and extended evaluations; determinations regarding serious employment handicap.
1507. Individualized vocational rehabilitation plan.
[1504. Subsistence allowances.]
1508. Allowances.
1509. Entitlement to independent living services and assistance.
[1505.] *1510.* Leaves of absence.
[1506. Medical care of trainees.]
[1508.] *1511.* Regulations to promote [good] *satisfactory* conduct *and cooperation.*
[1507. Loans to trainees.]
1512. Revolving fund loans.
[1509.] *1513.* Books, supplies, and equipment.
[1510.] *1514.* Vocational rehabilitation for hospitalized [persons] *members of the Armed Forces and veterans.*
1515. Vocational rehabilitation outside the United States.
[1511. Training and training facilities.]
1516. Rehabilitation resources.
1517. Employment assistance.
1518. Personnel training, development, and qualifications.
1519. Rehabilitation research and special projects.
1520. Pilot program of independent living services and assistance.
1521. Veterans' Advisory Committee on Rehabilitation.
1522. Evaluations after individual unemployability adjudications.

§ 1500. Purpose

The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

§ 1501. Definitions

For the purposes of this chapter—

[(1) The term "World War II" means the period beginning on September 16, 1940, and ending on July 25, 1947.]

(1) The term "independence in daily living" means the ability of a veteran, without the services of others or with a reduced level of the services of others, to live and function within such veteran's family and community.

(2) The term "medical condition" means a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities of a veteran.

(3) The term "program of education" has the meaning provided in section 1652(b) of this title.

(4) The term "program of independent living services and assistance" includes both (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in daily living, including, but not limited to, such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in daily living, and (B) the assistance authorized by this chapter for such veteran.

(5) The term "rehabilitated to the point of employability" means rendered employable in the occupation for which a vocational rehabilitation program has been provided under this chapter.

(6) The term "rehabilitation program" means (A) a vocational rehabilitation program, or (B) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be reasonably feasible.

(7) The term "serious employment handicap" means a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

(8) The term "vocational goal" means a gainful employment status that is consistent with an individual's abilities, aptitudes, and interests.

[(2)] *(9)* The term "vocational rehabilitation *program*" [means training (including educational and vocational counseling, all appropriate individualized tutorial assistance, and other necessary incidental services) for the purpose of restoring employability, to the extent consistent with the degree of disablement, lost by virtue of a handicap due to service-connected disability] *includes both—*

(A) the services provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including, but not limited to, such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed—

(i) in the case of a veteran for whom the achievement of a vocational goal has not been determined not to be reasonably feasible, (I) to determine whether a vocational goal is reasonably feasible, (II) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (III) to enable such veteran to achieve maximum independence in daily living, and

(ii) in the case of a veteran for whom the achievement of a vocational goal is determined to be reasonably feasible, to enable such veteran to become, to the maximum extent feasible, employable and to obtain and maintain suitable employment, and

(B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.

§ 1502. Basic entitlement

[(a) Every veteran who is in need of vocational rehabilitation on account of a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title shall be furnished such vocational rehabilitation as may be prescribed by the Administrator, if such disability arose out of service during World War II or thereafter.

[(b) Unless a longer period is prescribed by the Administrator, no course of vocational rehabilitation may exceed four years. If the veteran has pursued an educational or training program under chapters 33 (prior to its repeal), 34, 35, or 36 of this title, such program shall be utilized to the fullest extent practical in determining the character and duration of the vocational rehabilitation to be furnished the veteran under this chapter.

[(c) Vocational rehabilitation may not be afforded outside of a State to a veteran on account of post-World War II service if the veteran, at the time of such service, was not a citizen of the United States.

[(d) Veterans pursuing a program of vocational rehabilitation training under the provisions of this chapter shall also be eligible, where feasible, to perform veteran-student services pursuant to section 1685 of this title and for advance subsistence allowance payments as provided by section 1780 of this title.]

An individual veteran shall be entitled to rehabilitation under the terms and conditions of this chapter if such individual—

(1) is a veteran who has a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; or

(2) is pending discharge or release from active military, naval, or air service, hospitalized in a hospital over which the Secretary of Defense has jurisdiction.

§ 1503. Periods of eligibility

(a) Unless a longer period of eligibility is authorized pursuant to subsection (b), [or (c)] *(c), or (d)* of this section, [vocational] *educational assistance or* rehabilitation may not be afforded to a veteran [after nine years following the veteran's discharge or release; except vocational rehabilitation may be afforded to any person until October 15, 1971, if such person is eligible for vocational rehabilitation by reason of a disability arising from service before October 15, 1962, but either after World War II, and before the Korean conflict, or after the Korean conflict] *under this chapter after the end of the ten-year period beginning on the date of such veteran's discharge or release.*

(b) *(1)* [Where] *If the Administrator determines that* a veteran [is] *has been* prevented from entering[,] or [having entered, from] completing *a* vocational rehabilitation [training] *program under this chapter* within the period of eligibility [described] *prescribed* in subsection (a) of this section [because—]

[(1) the veteran had not timely attained, retained, or regained medical feasibility for training because of disability;

[(2) the veteran had not timely met the requirement of a discharge or release under conditions other than dishonorable, but the nature of such discharge or release was later changed by appropriate authority; or

[(3) the veteran had not timely established the existence of a compensable service-connected disability,

such training may be afforded the veteran during a period not to exceed four years beyond the period of eligibility otherwise applicable to the veteran] *because a medical condition made it infeasible for such veteran to participate in such a program, the ten-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.*

(2) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because (A) such veteran had not met the requirement of a discharge or release under conditions other than dishonorable before (i) a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, (ii) a correction of the military records of the service department concerned under section 1552 of title 10, or (iii) other corrective action by com-

petent authority, or (B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar to such benefits, the ten-year period of eligibility shall run from the date on which such veteran's discharge or dismissal was so changed, corrected, or modified or the Administrator made such determination, as appropriate.

(3) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability which is compensable under chapter 11 of this title and such veteran has a serious employment handicap, vocational rehabilitation may be afforded such veteran during the ten-year period beginning on the date on which notification is mailed to such veteran that it has been determined that such disability exists.

(c) A veteran who is [found to be] in need of [vocational rehabilitation] *services* to overcome [the handicap of blindness, or other serious disability, resulting from a service-connected disability which affords basic eligibility for vocational rehabilitation under section 1502 of this title may be afforded such vocational rehabilitation after the termination date otherwise applicable to the veteran when such action is determined by the Administrator to be necessary for such veteran based upon such veteran's disability and need for vocational rehabilitation, if—] *a serious employment handicap may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines that an extension of the applicable period of eligibility is necessary for such veteran based upon such veteran's particular employment handicap and need for such services and if—*

(1) [the] *such* veteran had not previously been rehabilitated [(that is, rendered employable) as the result of training furnished] under this chapter[, or]*;*

[(2) such serious disability (whether blindness or otherwise) has developed from, or as a result of, the worsening of the veteran's service-connected disability since the veteran was declared rehabilitated to the extent that it precludes the veteran performing the duties of the occupation for which the veteran was previously trained under this chapter.]

(2) such veteran had previously been rehabilitated under this chapter but (A) such need for such services has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran previously received vocational rehabilitation under this chapter, or (B) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities; or

(3) the Administrator determines, under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to carry out the purposes of this chapter.

(d) A veteran whose disability or disabilities are so severe that the achievement of a vocational goal by such veteran is determined not to be reasonably feasible may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines that an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence in daily living.

§ 1504. Scope of services and assistance

(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe, shall include—

(1) evaluation, including periodic reevaluations as appropriate with respect to a veteran participating in a rehabilitation program, of the potental for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate;

(2) educational, vocational, psychological, employment, and personal adjustment counseling;

(3) an allowance and other appropriate assistance, as authorized by section 1508 of this title;

(4) a work-study allowance as authorized by section 1685 of this title;

(5) placement services to effect suitable placement in employment, and postplacement services to attempt to assure satisfactory adjustment in employment;

(6) personal adjustment and work adjustment training;

(7) vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materals determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case;

(8) loans as authorized by section 1512 of this title;

(9) treatment, care, and services described in chapter 17 of this title;

(10) prosthetic appliances, eyeglasses, and other corrective and assistive devices;

(11) services to a veteran's family as necessary for the effective rehabilitation of such veteran;

(12) for the most severely disabled veterans requiring homebound training or self-employment, or both homebound training and self-employment, such license fees and essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the furnishing of such fees, equipment, supplies, and stocks;

(13) travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage;

(14) special services related to blindness and deafness, such as—

(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

(C) telecommunications, sensory, and other technical aids and devices; and

(15) services necessary to enable a veteran to achieve maximum independence in daily living.

(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796).

(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

§ 1505. Duration of rehabilitation programs

(a) The period of extended evaluation under section 1506(b) of this title for a veteran for whom the reasonable feasibility of achieving a vocational goal is undetermined may not exceed twelve months, except that such period may be extended for additional periods of up to six months each if the Administrator determines that, during the extended period concerned, it is reasonably likely that a determination can be made with respect to such veteran as to whether the achievement of a vocational goal is reasonably feasible.

(b) Except as provided in subsection (c) of this section, the period of a vocational rehabilitation program for a veteran under this chapter following a determination of the reasonable feasibility of achieving a vocational goal may not exceed forty-eight months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be provided for an additional period not to exceed eighteen months.

(c) In the case of a veteran who has been determined to have a serious employment handicap, the Administrator may extend the period of vocational rehabilitation for such veteran to the extent necessary to enable such veteran to achieve a vocational goal if—

(1) such veteran had previously been rehabilitated to the point of employability under this chapter but (A) such veteran's need for further vocational rehabilitation has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran had been so rehabilitated, or (B) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities; or

(2) the Administrator determines, under regulations which the Administrator shall prescribe, that such an extension is necessary to carry out the purposes of this chapter.

(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial increase in a veteran's level of independence in daily living, the period of a program of independent living services and assistance for a veteran under this chapter following a determination that such veteran's disability or disabilities are so severe that the achievement of a vocational goal is not reasonably feasible may not exceed twenty-four months.

§ 1506. Initial and extended evaluations; determinations regarding serious employment handicap

(a) A veteran with a service-connected disability who applies for benefits under this chapter shall be provided with an initial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary to determine whether such veteran has a serious employment handicap and to determine, if reasonably feasible without extended evaluation, whether the achievement of a vocational goal is reasonably feasible for such veteran.

(b) Where the Administrator has determined that a veteran has a serious employment handicap and that the achievement of a vocational goal is reasonably feasible for such veteran, such veteran shall be provided counseling in accordance with an individualized written plan of vocational rehabilitation developed under section 1507(a) of this title.

(c) Where the Administrator has determined that a veteran has a serious employment handicap but the Administrator is unable to determine, in an initial evaluation pursuant to subsection (a) of this section, whether or not the achievement of a vocational goal is reasonably feasible, such veteran shall be provided with extended evaluation consisting of the services described in section 1504(a)(1) of this title, such services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed to achieve a vocational goal and enable such veteran to achieve maximum independence in daily living, and assistance as authorized by section 1508 of this title.

(d) As expeditiously as possible (and, if applicable, not later than the end of the period of extended evaluation for a veteran under subsection (c) of this section, including any extensions under section 1505(a) of this title), the Administrator shall determine whether the achievement of a vocational goal by such veteran is reasonably feasible. In determining whether the achievement of a vocational goal is reasonably feasible, the Administrator shall resolve any reasonable doubt in favor of determining that such achievement is reasonably feasible.

(e) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of all services (including employment assistance under section 1517 of this title) and assistance under this chapter to such veteran.

§ 1507. Individualized vocational rehabilitation plan

(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(b) of this title. Such plan shall be developed jointly with such veteran, and shall include, but not be limited to (1) a statement of long range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services (which shall include counseling in all cases) and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) the name and business address and telephone number of the Veterans' Administration employee assigned responsibility for the management and followup of the provision of such services and assistance to such veteran.

(b) The Administrator shall review at least annually the plan formulated under subsection (a) of this section for a veteran, and such veteran shall be afforded the opportunity to participate in each review of such plan. Based on such review, the Administrator shall, jointly with such veteran, redevelop such plan as appropriate.

(c) Prior to agreeing to a plan under subsection (a) of this section or to any redevelopment or denial of redevelopment of a plan under subsection (b) of this section, a veteran shall be informed of such veteran's opportunity for a review as set forth in the following sentences. If a veteran does not agree to such plan, redevelopment, or denial of redevelopment, such veteran may submit to the person described in subsection (a)(5) of this section a written statement, prepared by or for such veteran, containing such veteran's objections to such plan and requesting a review of the plan as proposed. The Administrator shall review such statement and the plan as proposed and render a decision on such review not later than ninety days after the date on which such veteran so submits such statement, unless a longer period, not to exceed one hundred and fifty days, is allowed for rendering such decision in certain cases under regulations of the Administrator.

[§ 1504. Subsistence allowances

[(a) While pursuing a course of vocational rehabilitation training and for two months after the veteran's employability is determined, each veteran shall be paid a subsistence allowance as prescribed in this section.]

§ 1508. Allowances

(a)(1) Except for a veteran who makes an election under subsection (f) of this section, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of such veteran's participation under this chapter in (A) extended evaluation, or (B) a rehabilitation program.

(2) A veteran who is determined to have a serious employment handicap and who is determined, at the conclusion of such veteran's pursuit of a program of vocational rehabilitation under this chapter, to be re-

habilitated to the point of employability shall be paid a subsistence allowance, as prescribed in this section for full-time training for the type of program that the veteran was pursuing, for two months following the conclusion of such pursuit.

(b) [The subsistence allowance of a veteran-trainee is to] *Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall* be determined in accordance with the following table, and shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of [training] *program being pursued* as specified in column I:

[

Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$241	$298	$351	$26
Three-quarter-time	181	224	263	19
Half-time	120	149	176	13
Farm cooperative, apprentice, or other on-job training:				
Full-time	210	254	293	19

]

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	*$265*	*$328*	*$386*	*$29*
Three-quarter-time	*199*	*246*	*289*	*21*
Half-time	*132*	*164*	*194*	*14*
Farm cooperative, apprentice, or other on-job training:				
Full-time	*231*	*279*	*322*	*21*
Extended evaluation:				
Full-time	*265*	*328*	*386*	*29*
Independent living training:				
Full-time	*265*	*328*	*386*	*29*
Three-quarter-time	*199*	*246*	*289*	*21*
Half-time	*132*	*164*	*194*	*14*

(c) (*1*) [Where the course of vocational rehabilitation training consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to the veteran during the] *If the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to such veteran for such* month, directly or indirectly. Based upon such written [statements] *statement*, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just *in accordance with criteria which the Administrator shall establish in regulations which the Administrator shall prescribe.*

(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1516(a)(1) of this title without pay or for nominal pay shall be paid the appropriate subsistence allowance rate provided in subsection (b) of this section for an institutional program.

[(d) The Administrator shall define full-time and part-time training in the case of all eligible veterans pursuing a course of vocational rehabilitation training under this chapter.]

(d)(1) The Administrator shall, in accordance with regulations, which the Administrator shall prescribe, not inconsistent with regulations governing the determination of full-time status and part-time status under chapter 34 of this title, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

(2) A veteran participating in extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

(e) In the case of a veteran pursuing a rehabilitation program on a full-time residential basis in a specialized rehabilitation facility, the Administrator may, upon the request of such veteran, (1) pay to such facility the cost of such veteran's room and board in lieu of payment to such veteran of the subsistence allowance (not including any portion payable for any dependents) payable under subsection (b) of this section, and (2) pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

(f) To the extent that a veteran who is determined to be entitled to rehabilitation under this chapter has remaining eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, as part of a vocational rehabilitation program under this chapter but in lieu of the services and assistance described in section 1504(a) (3) (other than an allowance and other assistance under the subsection) and sections 1504(a) (7) and (8) of this title, to pursue an approved program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under chapter 34 of this title, if the Administrator approves the educational, professional, or vocational objective chosen by such veteran for such program. In the event that such veteran makes such an election, the terms and conditions applicable to the pursuit of a comparable program of education and the payment of allowances and provision of assistance under such chapter shall be applied to the pursuit of the approved program of education under this chapter.

(g)(1) Notwithstanding any other provision of this title, the subsistence allowance for a veteran who is pursuing a rehabilitation program under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

(A) If such veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pay such allowance to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such allowance, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(B) If such veteran has one or more dependents, the Administrator shall pay such allowance to such veteran's dependent or dependents (or the legal guardian or guardians thereof) designated by such veteran to receive such allowance, but only to the extent that both the veteran and the designated dependent or dependents (or the legal guardian or guardians thereof) so request. To the extent that such veteran does not request the Administrator to pay to a particular dependent of such veteran an amount payable on account of such dependent or such dependent does not join in such request, the amount involved shall not be paid to or accrued by such veteran. The Administrator shall, while such veteran is so incarcerated, withhold any amount of such allowance, not payable on account of a dependent or dependents, that is accrued by such veteran and shall pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such amount, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a rehabilitation program under this chapter while placed and residing in a halfway house or while participating in a work-release program.

(h) (1) Notwithstanding any other provision of this title, the allowance for a veteran who has made an election under subsection (f) of this section and who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

(A) If such veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay such veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(B) If such veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay such veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the

Administrator shall pay any amount in excess of such cost to such veteran's dependent or dependents (or the legal guardian or guardians thereof) designated by such veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or the legal guardian or guardians thereof) so request. To the extent that such veteran does not request the Administrator to pay to a particular dependent of such veteran an amount payable on account of such dependent or such dependent does not join in such request, the amount involved, if not payable to such veteran under the first sentence of this subparagraph, shall not be paid to or accrued by such veteran. The Administrator shall pay any excess amount accrued by such veteran to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

(i) Notwithstanding any other provision of this title, in the case of a veteran pursuing a rehabilitation program while receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility, or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the subsistence or (if such veteran has made an election under subsection (f) of this section) other allowance appropriate for the type of training pursued shall, after such veteran has been receiving such care for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) or (h) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

(j) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

§ 1509. Entitlement to independent living services and assistance

Where the Administrator has determined under section 1506(d) of this title that the achievement of a vocational goal by a veteran is not reasonably feasible, such veteran shall be entitled, pursuant to the provisions of section 1520 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in daily living.

§ [1505.] *1510.* Leaves of absence

The Administrator shall prescribe such regulations as the Administrator [deems] *determines* necessary for granting leaves of absence to veterans pursuing [a] [course of vocational rehabilitation training. Such leaves of absence shall not be granted to any veteran in excess of thirty days in any consecutive twelve months, except in exceptional

circumstances] *rehabilitation programs under this chapter.* During authorized leaves of absence, a veteran shall be considered [as] *to be* pursuing [the veteran's course of vocational rehabilitation training] *such program.*

[§ 1506. Medical care for trainees

[The Administrator may furnish veterans receiving vocational rehabilitation such medical care, treatment, hospitalization, and prosthesis as may be necessary to accomplish the purposes of this chapter, whether or not such medical care, treatment, hospitalization, or prosthesis is otherwise authorized under chapter 17 of this title.]

§[1508.] *1511.* Regulations to promote [good] *satisfactory* conduct *and cooperation*

The Administrator shall prescribe such rules and regulations as the Administrator [deems] *determines* necessary [in order] to promote [good] *satisfactory* conduct and cooperation on the part of veterans who are [receiving vocational rehabilitation. Penalties for the breach of such rules and regulations may extend to (1) forfeiture by the offender for three months of subsistence allowance otherwise payable, and (2) permanent disqualification for further vocational rehabilitation.] *pursuing rehabilitation programs under this chapter. If a veteran fails to maintain satisfactory conduct or cooperation, the Administrator may, after determining that all reasonable counseling efforts have been made and are not reasonably likely to be effective, discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstitute such services and assistance only if the Administrator determines that—*

(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

§ [1507.] *1512.* [Loans to trainees] *Revolving fund loans*

The revolving fund [which was] established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of [$200 in any case] *twice the amount of the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in section 1508 (b) of this title, to veterans* [commencing or undertaking courses of vocational rehabilitation] *pursuing rehabilitation programs under this chapter.* Such advances, and advances [heretofore made] *from such fund made before the effective date of the Disabled Veterans Rehabilitation Act of 1980,* shall bear no interest and shall be repaid in such installments as may be determined by the Administrator, by proper deductions from future payments of [subsistence allowance] compensation, pension, *subsistence allowance, educational assistance allowance,* or retirement pay.

§ [1509.] *1513.* Books, supplies, and equipment

[(a)] Any books, supplies, or equipment furnished a veteran under this chapter shall be deemed released to [the veteran, except that if,

because of fault on the veteran's part, the veteran fails to complete the course of vocational rehabilitation, the veteran may be required by the Administrator to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof] ***such veteran, except that if the Administrator determines that, because of fault on such veteran's part, such veteran has failed to complete the course involved, the Administrator may require such veteran to return any or all such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof. Such books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may determine.***

[(b) Returned books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may approve.]

§ [1510.] *1514.* Vocational rehabilitation for hospitalized [persons] *members of the Armed Forces and veterans*

[Vocational rehabilitation may be afforded under this chapter to any person who is hospitalized pending final discharge from the active military, naval, or air service, if such person is qualified for such vocational rehabilitation in every respect except for discharge. No subsistence allowance shall be payable to any person while such person is receiving vocational rehabilitation solely by reason of this section.]

(a) Services and assistance may be provided under this chapter to an individual who is hospitalized pending discharge from active military, naval, or air service if such individual would be eligible for such services and assistance except for the fact that such individual has not been discharged or released from such service. In such cases, no subsistence allowance shall be paid.

(b) Services and assistance may be provided under this chapter to a veteran who is receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in any other hospital or medical facility.

§ 1515. Vocational rehabilitation outside the United States

Pursuant to regulations which the Administrator shall prescribe, a program of vocational rehabilitation under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

[§ 1511. Training and training facilities

[The Administrator shall prescribe and provide vocational rehabilitation to veterans eligible therefor. For such purposes, the Administrator may—

[(1) employ additional personnel and experts, as the Administrator deems necessary;

[(2) utilize and extend Veterans' Administration facilities;

[(3) utilize facilities of any agency of the United States, or

any facilities maintained by joint Federal and State contributions;

[(4) provide, by agreement or contract with public or private institutions or establishments, for such additional training facilities as may be suitable and necessary;

[(5) cooperate with and employ the facilities of other governmental and State employment agencies for the purpose of placing in gainful employment persons who have received vocational rehabilitation.

Notwithstanding any other provision of law, the facilities of any agency of the United States, as designated in clause (3) of this section, may be used to provide unpaid training or work experience as part or all of a veteran's program of vocational rehabilitation when the Administrator determines such training or work experience to be necessary to accomplish vocational rehabilitation. While pursuing such training or work experience, an uncompensated veteran shall be deemed an employee of the United States for the purposes of the benefits of chapter 81 of title 5 but not for the purposes of law administered by the Civil Service Commission.]

§ 1516. Rehabilitation resources

(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program without pay or for nominal pay whenthe Administrator determines that such training or work experience is necessary to accomplish such veteran's rehabilitation;

(2) use the facilities, staff, and other resources of the Veterans' Administration;

(3) employ such additional personnel and experts as the Administrator considers necessary; and

(4) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

(b)(1) While pursuing on-job training or work experience under clause (1) of subsection (a) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

(2)(A) Use of facilities, staff, and other resources of the Department of Medicine and Surgery under clause (2) of subsection (a) of this section, to provide rehabilitation services under this chapter, including hospital care and medical services described in chapter 17 of this title, shall, as provided for in a veteran's individualized written plan under section 1507 or 1520(a) of this title, be procured through contract with such department; and the amounts of payments for such services shall be determined in accordance with current accounting principles used within such department, subject to review and modification by the Administration with respect to the reasonableness of proposed charges.

(B) Except as provided in chapter 17 of this title, hospital care and medical services provided under this chapter shall be furnished in facilities over which the Administrator has direct jurisdiction.

(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall be procured through contract, agreement, or other cooperative arrangement.

§ 1517. Employment assistance

(a) A veteran with a service-connected disability who has participated in a vocational rehabilitation program under this chapter or a similar program under the Rehabilitation Act of 1973 and who is determined to be employable shall be furnished assistance (including any assistance necessary to assure that such veteran receives the benefit of any applicable provisions of law or regulation providing for special consideration or emphasis or preference for such veteran in employment or training) in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap. Such assistance may include (1) direct placement of such veteran in employment, (2) utilization of the services of United States employment and training outreach program specialists under section 2003A of this title, and (3) utilization of job the development and placement services of (A) programs under the Rehabilitation Act of 1973, (B) the State employment service and the Veterans' Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) and other public or nonprofit organization having placement services available. To the extent that resources are available, a veteran without a service-connected disability who has participated in such a similar program and who is determined to be employable may be furnished the assistance described in the preceding sentence.

(b)(1) If a veteran has completed vocational rehabilitation for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

(2) The Administrator may, under the terms and conditions set forth in clause (12) of section 1504(a) of this title, furnish a veteran described in such clause who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies as are determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

(c) The Administrator shall prescribe regulations, with the concurrence of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. subch. V) and section 2012 of this title, and regulations prescribed thereunder, to authorize payments to be made to employers for providing on-job training to veterans who have been rehabilitated to the point of employability in individual instances where the Administrator determines that such payment is necessary to obtain the needed on-job training or to begin employment. Such payments shall not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity. If any such veteran participates in such on-

job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for and entitlement to such allowance, be paid such allowance.

§ 1518. Personnel training, development, and qualifications

(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter. The objective of such training shall be to assure that rehabilitation services for disabled veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education and the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor in planning and carrying out personnel training in areas of mutual programmatic concern.

(c) Notwithstanding any other provision of law, the Administrator shall establish such qualifications for psychologists providing evaluation and rehabilitation services to veterans under this chapter and for employees performing the functions described in section 1506(f) of this title as the Administrator determines are necessary and appropriate to assure the quality of rehabilitation programs under this chapter. In establishing such qualifications, the Administrator shall take into account the provisions of section 4105(a)(10) of this title and the qualifications established for comparable personnel under the Rehabilitation Act of 1973 (29 U.S.C. ch. 16).

§ 1519. Rehabilitation research and special projects

(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

(2) projects which are designed to increase the resources and potential for accomplishing the rehabilitation of disabled veterans.

(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education,

the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

§ *1520. Pilot program of independent living services and assistance*

(a) During fiscal years 1982 through 1985, the Administrator is authorized to contract with public or nonprofit agencies (including contracting for services under section 1516(b)(2) of this title) with a demonstrated capacity to conduct programs of independent living services for severely handicapped persons to provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter in various geographical regions, to veterans as to whom it is determined that the achievement of vocational goals is not reasonably feasible, who are feasible, include in such program substantial numbers of such veterans receiving long-term care in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans. A program of independent living services and assistance for a veteran shall consist of such services described in section 1504 (a) and (b) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in daily living. Such veteran shall have the same rights with respect to an individualized written plan of services and assistance as are afforded veterans participating in vocational rehabilitation under section 1507 of this title. Any contract for services that are initiated with respect to any veteran prior to the end of fiscal year 1985 may be continued in effect after the end of fiscal year 1985 for the purposes of providing services and assistance to such veteran in accordance with the provisions of this chapter. Programs of independent living services and assistance shall be initiated for no more than five hundred veterans in each of the fiscal years 1982 through 1985, and the first priority in the provision of such programs shall be afforded to veterans for whom the reasonable feasibility of achieving a vocational goal is precluded solely as a result of a service-connected disability.

(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the programs of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

(1) the results of a study which the Administrator shall conduct of the accomplishments and cost-effectiveness of such programs, including the extent to which (A) such programs have met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in daily living as a result of participation in the programs, and (C) costs of care in hospital, and nursing home, and domiciliary facilities have been and may be avoided as the result of such services; and

(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living serv-

ices and assistance to veterans for whom the achievement of a vocational goal is not feasible.

§ 1521. Veterans' Advisory Committee on Rehabilitation

(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the "Committee"). The members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not to exceed three years. Service-connected disabled veterans shall constitute not less than one-half of the membership of the Committee, and the Committee shall also include individuals who have distinguished themselves in both the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the members of the Committee as the chairperson of the Committee. The Committee shall also include representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, of the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and of the Secretary of Health and Human Services.

(b) The Administrator shall advise and consult with the Committee on a regular basis with respect to the administration of veterans' rehabilitation programs under this title.

(c) The Committee shall submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the Veterans' Administration, and shall submit such other reports or recommendations to the Administrator and the Congress as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs.

§ 1522. Evaluations after individual unemployability adjudications

Following the adjudication of a claim under chapter 11 of this title of any veteran for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for a comprehensive diagnostic evaluation by Veterans' Administration employees responsible for such evaluations under this chapter when, in the opinion of the Administrator, there exists a potential for the vocational rehabilitation and employment of such veteran.

CHAPTER 32—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter II—Eligibility; Contributions; and Matching Fund

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§ 1624. Death of participant

(a)(*1*) If a participant dies, the amount of such participant's unused contributions to the fund shall be paid **[**(1)**]** to the *living person or persons first listed below:*

(*A*) *The* beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy**[**, or (2) to the participant's estate if no beneficiary has been designated under such policy or if the participant is not insured under the Servicemen's Group Life Insurance program**]**.

(*B*) *The surviving spouse of the participant.*

(*C*) *The surviving child or children of the participant, in equal shares.*

(*D*) *The surviving parents of the participant, in equal shares.*

(*2*) *If there is no such person living, such amount shall be paid to the participant's estate.*

(b) If a participant dies after having been discharged or released from active duty and before using any or all of the contributions which the participant made to the fund, such unused contributions shall be paid as prescribed in subsection (a) of this section.

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Subchapter III—Entitlement; Duration

§ 1631. Entitlement; loan eligibility

(a)(1) A participant shall be entitled to a maximum of 36 monthly benefit payments (or their equivalent in the event of part-time benefit payments). *The 36-month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration.*

(2) The amount of the monthly payment to which any eligible veteran is entitled shall be ascertained by (A) adding all contributions made to the fund by the eligible veteran, (B) multiplying the sum by 3, (C) adding all contributions made to the fund for such veteran by the Secretary, and (D) dividing the sum by the lesser of 36 or the number of months in which contributions were made by such veteran.

(3) Payment of benefits under this chapter may be made only for periods of time during which an eligible veteran is actually enrolled in and pursuing an approved program of education and, except as provided in paragraph (4), only after an eligible veteran has been discharged or released from active duty.

(4) Payment of benefits under this chapter may be made after a participant has completed his or her first obligated period of active duty (which began after December 31, 1976), or 6 years of active duty (which began after December 31, 1976), whichever period is less.

(b) Any enlisted member of the Armed Forces participating in the program shall be eligible to participate in the Predischarge Education Program (PREP), authorized by subchapter VI of chapter 34 of this title, during the last 6 months of such member's first enlistment.

(c) When an eligible veteran is pursuing either a program of education under this chapter by correspondence or a program of flight training, such eligible veteran's entitlement shall be charged at the rate of 1 month's entitlement for each month of benefits paid to the

eligible veteran (computed on the basis of the formula provided in subsection (a)(2) of this section).

(d) Eligible veterans participating in the program shall be eligible for education loans authorized by subchapter III of chapter 36 of this title in such amounts and on the same terms and conditions as provided in such subchapter, except that the term "eligible veteran" as used in such subchapter shall be deemed to include "eligible veteran" as defined in this chapter.

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CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

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Subchapter I—Purpose—Definitions

* * * * * * *

§ 1652. Definitions

For the purposes of this chapter *and chapter 36 of this title*—

(a)(1) ***

* * * * * * *

(e) [For the purposes of this chapter and chapter 36 of this title, the] *The* term "training establishment" means any establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprenticeship committee, or the Bureau of Apprenticeship and Training established pursuant to chapter 4C of title 29, or any agency of the Federal Government authorized to supervise such training.

(f) [For the purpose of this chapter and chapter 36 of this title, the] *The* term "institution of higher learning" means a college, university, or similar institution, including a technical or business school, offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by the appropriate State education authority under State law to grant an associate or higher degree. When there is no State law to authorize the granting of a degree, the school may be recognized as an institution of higher learning if it is accredited for degree programs by a recognized accrediting agency. Such term shall also include a hospital offering educational programs at the postsecondary level without regard to whether the hospital grants a postsecondary degree.

(g) [For the purposes of this chapter and chapter 36 of this title, the] *The* term "standard college degree" means an associate or higher degree awarded by (1) an institution of higher learning that is accredited as a collegiate institution by a recognized regional or national accrediting agency; or (2) an institution of higher learning that is a "candidate" for accreditation as that term is used by the regional or national accrediting agencies; or (3) an institution of higher learning upon completion of a course which is accredited by an agency recognized to accredit specialized degree-level programs. For the purpose of this section, the accrediting agency must be one recognized by the Commissioner of Education under the provisions of section 1775 of this title.

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Subchapter III—Enrollment

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§ 1677. Flight training

(a) The Administrator may approve the pursuit by an eligible veteran of flight training where such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation or where generally recognized as ancillary to the pursuit of a vocational endeavor other than aviation, subject to the following conditions:

(1) the eligible veteran must possess a valid private pilot's license and meet the medical requirements necessary for a commercial pilot's license; and

(2) the flight school courses must meet the Federal Aviation Administration standards and be approved both by that Agency and the appropriate State approving agency.

(b) Each eligible veteran who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of subsection (a) hereof, shall be paid an educational assistance allowance to be computed at the rate of 90 per centum of the established charges for tuition and fees which similarly circumstanced non-veterans enrolled in the safe flight course are required to pay. Such allowance shall be paid monthly upon receipt of a certification as required by section 1681(c) of this title. In each such case the eligible veteran's period of entitlement shall be charged with one month for each **[**$288**]** *$317* which is paid to the veteran as an educational assistance allowance for such course.

Subchapter IV—Payments to Eligible Veterans; Veteran-Student Services

* * * * * * *

§ 1682. Computation of educational assistance allowances

(a)(1) Except as provided in subsection (b), or (c) of this section, or section 1677 or 1787 of this title, while pursuing a program of education under this chapter of half-time or more, each eligible veteran shall be paid the monthly educational assistance allowance set forth in column II, III, IV or V (whichever is applicable as determined by the veteran's dependency status) opposite the applicable type of program as shown in column I:

[

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$311	$370	$422	$26
Three-quarter-time	233	277	317	19
Half-time	156	185	211	13
Cooperative	251	294	334	19

]

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	*$342*	*$407*	*$464*	*$29*
Three-quarter-time	*256*	*305*	*349*	*21*
Half-time	*172*	*204*	*232*	*14*
Cooperative	*276*	*323*	*367*	*21*

(2) A "cooperative" program, other than a "farm cooperative" program, means a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion.

(b) The educational assistance allowance of an individual pursuing a program of education—

(1) while on active duty; or

(2) on less than a half-time basis,

shall be computed at the rate of (A) the established charges for tuition and fees which the institution requires similarly circumstanced nonveterans enrolled in the same program to pay, or (B) **[**$311**]** *$342* per month for a full-time course, whichever is the lesser.

(c)(1) An eligible veteran who is enrolled in an educational institution for a "farm cooperative" program consisting of institutional agricultural courses prescheduled to fall within 44 weeks of any period of 12 consecutive months and who pursues such program on—

(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any 3-month period),

(B) a three-quarter-time basis (a minimum of 7 clock hours per week), or

(C) a half-time basis (a minimum of 5 clock hours per week) shall be eligible to receive an educational assistance allowance at the appropriate rate provided in the table in paragraph (2) of this subsection, if such eligible veteran is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator.

In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the veteran is enrolled.

(2) The monthly educational assistance allowance of an eligible veteran pursuing a farm cooperative program under this chapter shall be paid as set forth in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the basis shown in column I:

Column I Basis	Column II No dependents	Column III One dependent	Column IV Two dependents	Column V More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$251	$294	$334	$19
Three-quarter-time	188	221	251	15
Half-time	126	147	167	10

Column I *Basis*	*Column II* *No dependents*	*Column III* *One dependent*	*Column IV* *Two dependents*	*Column V* *More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	*$276*	*$323*	*$367*	*$21*
Three-quarter-time	*207*	*242*	*276*	*17*
Half-time	*138*	*162*	*184*	*11*

(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has "already qualified," a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

(2) A veteran pursuing a refresher training under this subsection shall be paid an educational assistance allowance based upon the rate prescribed in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

(3) The educational assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.

(e) The educational assistance allowance of an eligible veteran pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (b)(2) of this section. In those cases where independent study is combined with resident training and the resident training constitutes the major portion of such training, the maximum allowance may not exceed the full-time institutional allowance provided under subsection (a)(1) of this section.

***(f) The educational assistance allowance of a veteran pursuing a course in part by open circuit television shall be computed in the same**

***Subsection (f) and (g) of section 1682 are as passed by the Senate on January 24, 1980, in section 207(3) of H.R. 5288.**

manner that such allowance is computed under subsection (e) of this section for an independent study program.

*(g)(1) Notwithstanding any other provision of this title, the educational assistance allowance for an eligible veteran who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

(A) If the veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay the veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced non-veterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to the veteran upon the veteran's release from prison or jail or, at the request of the veteran, purchase with such excess amount and hold for the veteran United States Government securities and deliver them to the veteran upon the veteran's release from prison or jail.

(B) If the veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay the veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to the veteran's dependent or dependents (or legal guardian or guardians thereof) designated by the veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. If the veteran does not request the Administrator to pay any amount payable on account of any particular dependent of the veteran to such dependent or the dependent does not join in such request, the amount involved, if not payable to the veteran under the second sentence of this paragraph, will not be paid to or accrued by the veteran. The Administrator shall pay any excess amount accrued by the veteran to the veteran upon the veteran's release from prison or jail or, at the request of the veteran, purchase with such excess amount and hold for the veteran United States Government securities and deliver them to the veteran upon the veteran's release from prison or jail.

(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

(h) Notwithstanding any other provision of this title, in the case of an eligible veteran pursuing a program of education while receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the educational as-

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*Subsections (f) and (g) of section 1682 are as passed by the Senate on January 24, 1980, in section 207(3) of H.R. 5288.

sistance allowance appropriate for the type of training pursued shall, after such veteran has been receiving such care for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility, as appropriate, under the same terms and conditions set forth in subsection (g) of this section, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

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Subchapter V—Special Assistance for the Educationally Disadvantaged

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§ 1692. Special supplementary assistance

(a) In the case of any eligible veteran who—

(1) is enrolled in and pursuing a postsecondary course of education on a half-time or more basis at an educational institution; and

(2) has a deficiency in a subject required as a part of, or which is a prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education,

the Administrator may approve individualized tutorial assistance for such veteran if such assistance is necessary for the veteran to complete such program successfully.

(b) The Administrator shall pay to an eligible veteran receiving tutorial assistance pursuant to subsection (a) of this section, in addition to the educational assistance allowance provided in section 1682 of this title, the cost of such tutorial assistance in an amount not to exceed [$69] ***$76*** **per month, for a maximum of twelve months, or until a maximum of [$828]** ***$911*** **is utilized, upon certification by the educational institution that—**

(1) the individualized tutorial assistance is essential to correct a deficiency of the eligible veteran in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education;

(2) the tutor chosen to perform such assistance is qualified; and

(3) the charges for such assistance do not exceed the customary charges for such tutorial assistance.

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Subchapter VI—Predischarge Education Program

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§ 1696. Payment of educational assistance allowance

(a) The Administrator shall, under such regulations as the Administrator shall prescribe after consultation with the Secretary of Defense, pay the educational assistance allowance as computed in subsection (b) of this section to an eligible person enrolled in and pursuing (1) a course or courses offered by an educational institution (other than by correspondence) and required to receive a secondary school diploma, or (2) any deficiency, remedial, or refresher course

or courses offered by an educational institution and required for or preparatory to the pursuit of an appropriate course or training program in an approved educational institution or training establishment.

(b) The educational assistance allowance of an eligible person pursuing education or training under this subchapter shall be computed at the rate of (1) the established charges for tuition and fees which the educational institution requires similarly circumstanced nonveterans enrolled in the same or a similar program to pay, and the cost of books and supplies peculiar to the course which such educational institution requires similarly circumstanced nonveterans enrolled in the same or a similar program to have, or (2) [$311] ***$342*** **per month for a full-time course, whichever is the lesser. Where it is determined that there is no same program, the Administrator shall establish appropriate rates for tuition and fees designed to allow reimbursement for reasonable costs for the education or training institution.**

(c) The educational assistance allowance authorized by this section shall be paid without charge to any period of entitlement earned pursuant to section 1661(a) of this title.

(d) After October 31, 1976, no person other than a member of the Armed Forces described in section 1631(b) of this title shall be permitted to enroll, or re-enroll, in any course provided under the authority of this subchapter.

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CHAPTER 35—SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

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Subchapter I—Definitions

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§ 1701. Definitions

(a) For the purpose of this chapter *and chapter 36 of this title*—

(1) * * *

* * * * * * *

(9) [For the purposes of this chapter and chapter 36 of this title, the] *The* term "training establishment" means any establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprenticeship committee, or the Bureau of Apprenticeship and Training established pursuant to chapter 4C of title 29, or any agency of the Federal Government authorized to supervise such training.

(10) [For the purposes of this chapter and chapter 36 of this title, the] *The* term "institution of higher learning" means a college, university, or similar institution, including a technical or business school, offering postsecondary level academic instruction that leads to an associate or higher degree if the school is empowered by the appropriate State education authority under State law to grant an associate or

higher degree. When there is no State law to authorize the granting of a degree, the school may be recognized as an institution of higher learning if it is accredited for degree programs by a recognized accrediting agency. Such term shall also include a hospital offering educational programs at the postsecondary level without regard to whether the hospital grants a postsecondary degree.

(11) [For the purposes of this chapter and chapter 36 of this title, the] *The* term "standard college degree" means an associated or higher degree awarded by (A) an institution of higher learning that is accredited as a collegiate institution by a recognized regional or national accrediting agency; or (B) an institution of higher learning that is a "candidate" for accreditation as that term is used by the regional or national accrediting agencies; or (C) an institution of higher learning upon completion of a course which is accredited by an agency recognized to accredit specialized degree-level programs. For the purpose of this section, the accrediting agency must be one recognized by the Commissioner of Education under the provisions of section 1775 of this title.

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Subchapter IV—Payments to Eligible Persons

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§ 1732. Computation of educational assistance allowance

(a) (1) The educational assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed in section 1682 (a) (1) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents.

(2) The educational assistance allowance on behalf of an eligible person pursuing a program of education on less than a half-time basis shall be computed at the rate prescribed in section 1682(b) (2) of this title for less-than-half-time pursuit of an institutional program by an eligible veteran.

(b) The educational assistance allowance to be paid on behalf of an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment with the training in the business or industrial establishment being strictly supplemental to the institutional portion, shall be computed at the rate of [$251] *$276* per month.

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Subchapter V—Special Restorative Training

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§ 1742. Special training allowance

(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on behalf of such person a special training allowance computed at the basic rate of [$311] *$342* per month. If the charges for tuition and fees applicable to any such course are more than [$98] *$108* per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed [$98] *$108* a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each [$10.40] *$11.40* that the special training allowance paid exceeds the basic monthly allowance.

(b) No payments of a special training allowance shall be made for the same period for which the payment of an educational assistance allowance is made or for any period during which the training is pursued on less than a full-time basis.

(c) Full-time training for the purpose of this section shall be determined by the Administrator with respect to the capacities of the individual trainee.

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CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

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Subchapter I—State Approving Agencies

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§ 1772. Approval of courses

(a) An eligible person or veteran shall receive the benefits of this chapter and chapters 34 and 35 while enrolled in a course of education offered by an educational institution only if (1) such course is approved as provided in this chapter and chapters 34 and 35 by the State approving agency for the State where such educational institution is located, or by the Administrator, or (2) such course is approved (A) for the enrollment of the particular individual under the provisions of section 1736 of this title or (B) for special restorative training under subchapter V of chapter 35 of this title. Approval of courses by State approving agencies shall be in accordance with the provisions of this chapter and chapters 34 and 35 and such other regulations and policies as the State approving agency may adopt. Each State approving agency shall furnish the Administrator with a current list of educational institutions specifying courses which it has approved, and, in addition to such list, it shall furnish such other information to the Administrator as it and the Administrator may determine to be necessary to carry out the purposes of this chapter and chapters 34 and 35. Each State approving agency shall notify the Administrator of the disapproval of any course previously approved and shall set forth the reasons for such disapproval.

(b) The Administrator shall be responsible for the approval of courses of education offered by any agency of the Federal Government authorized under other laws to supervise such education. The Administrator may approve any course in any other educational institution in accordance with the provisions of this chapter and chapters 34 and 35.

(c) In the case of programs of apprenticeship where—

(1) the standards have been approved by the Secretary of Labor pursuant to section 50a of title 29 as a national apprenticeship program for operation in more than one State, and

(2) the training establishment is a carrier directly engaged in interstate commerce which provides such training in more than one State,

the Administrator shall act as a "State approving agency" as such term is used in section 1787(a)(1) of this title and shall be responsible for the approval of all such programs.

(d) The Administrator shall be responsible for the approval of all programs of training on the job other than those described in subsection (c) of this section (including apprenticeship programs), and shall exercise this responsibility directly or through agreements with non-Veterans' Administration sources, including those described in section 1771(a) of this title. Pursuant to regulations jointly prescribed by the Administrator and the Secretary of Labor, the Administrator shall actively promote the development of programs of training on the job (including programs of apprenticeship) for the purposes of sections 1777 and 1787 of this title and shall utilize the services of veterans' employment and training outreach program specialists under section 2003A of this title to promote the development of and, as appropriate, approve such programs.

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§ 1777. Approval of training on the job

(a) **[**Any State approving agency may approve a**]** *A* program of training on the job (other than a program of apprenticeship) *may be approved* only when **[**it finds that**]** the job which is the objective of the training is one in which progression and appointment to the next higher classification are based upon skills learned through organized and supervised training on the job and not on such factors as length of service and normal turnover, and that the provisions of **[**subsections**]** ***subsection*** (b) **[**and (c)**]** of this section are met.

[(b) The training establishment offering training which is desired to be approved for the purposes of this chapter must submit to the appropriate State approving agency a written application for approval which, in addition to furnishing such information as is required by the State approving agency, contains a certification that—**]**

(b) The Administrator, after consultation with the Secretary of Labor, shall prescribe regulations specifying criteria for the approval of programs of training on the job (including registered and nonregistered apprenticeship training meeting the standards of apprenticeship published by the Secretary pursuant to section 50a of title 29) in order to carry out the provisions of subsection (a) of this section and to assure the appropriateness of the training provided in meeting the purposes of chapters 34 and 35 of this title. Such criteria for a program of training on the job (other than a program of apprenticeship) shall include a certification that—

(1) the training content and procedures of the course are adequate to qualify the eligible veteran or person for appointment to the job for which such veteran or person is to be trained;

[(1)] *(2)* the wages to be paid the eligible veteran or person (A) upon entrance into training[,] are not less than wages paid nonveterans in the same training position and are at least 50 per centum of the wages paid for the job for which the veteran or person is to be trained, and (B) [such wages] will be increased in regular periodic increments until, not later than the last full month of the training period, they will be at least 85 per centum of the wages paid for the job for which such [eligible] veteran or person is being trained; [and]

[(2)] *(3)* there is reasonable certainty that the job for which the eligible veteran or person is to be trained will be available to [the] *such* veteran or person at the end of the training period[.] *; and*

(4) the job customarily requires full-time training for a period of not less than three months and the length of the training period is not longer than that customarily required by training establishments in the community.

[(c) As a condition for approving a program of training on the job (other than a program of apprenticeship) the State approving agency must find upon investigation that the following criteria are met:

[(1) The training content of the course is adequate to qualify the eligible veteran or person for appointment to the job for which he is to be trained.

[(2) The job customarily requires full-time training for a period of not less than six months and not more than two years.

[(3) The length of the training period is not longer than that customarily required by the training establishments in the community to provide an eligible veteran or person with the required skills, arrange for the acquiring of job knowledge, technical information, and other facts which the eligible veteran or person will need to learn in order to become competent on the job for which the veteran or person is being trained.

[(4) Provision is made for related instruction for the individual eligible veteran or person who may need it.

[(5) There is in the training establishment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training on the job.

[(6) Adequate records are kept to show the progress made by each eligible veteran or person toward such veteran's or person's job objective.

[(7) No course of training will be considered bona fide if given to an eligible veteran or person who is already qualified by training and experience for the job.

[(8) A signed copy of the training agreement for each eligible veteran or person, including the training program and wage scale as approved by the State approving agency, is provided to the veteran or person and to the Administrator and the State approving agency by the employer.

[(9) That the course meets such other criteria as may be established by the State approving agency.]

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Subchapter II—Miscellaneous Provisions

§ 1781. Limitations on educational assistance

No educational assistance allowance granted under chapter 34, 35, or 36 *or subsistence allowance granted under chapter 31* of this title shall be paid to any eligible person (1) who is on active duty and is pursuing a course of education which is being paid for by the Armed Forces (or by the Department of Health, Education, and Welfare in the case of the Public Health Service); or (2) who is attending a course of education or training paid for under the Government Employees' Training Act and whose full salary is being paid to such person while so training.

§ 1786. Correspondence courses

enters into an enrollment agreement to pursue a program of educa-

(a)(1) Each eligible veteran (as defined in section 1652(a)(1) and (2) of this title) and each eligible spouse or surviving spouse (as defined in section 1701(a)(1) (B), (C), or (D) of this title) who

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tion exclusively by correspondence shall be paid an educational assistance allowance computed at the rate of 90 per centum of the established charge which the institution requires nonveterans to pay for the course or courses pursued by the eligible veteran or spouse or surviving spouse. The term "established charge" as used herein means the charge for the course or courses determined on the basis of the lowest extended time payment plan offered by the institution and approved by the appropriate State approving agency or the actual cost to the veteran or spouse or surviving spouse, whichever is the lesser. Such allowance shall be paid quarterly on a pro rata basis for the lessons completed by the veteran or spouse or surviving spouse and serviced by the institution.

(2) The period of entitlement of any veteran or spouse or surviving spouse who is pursuing any program of education exclusively by correspondence shall be charged with one month for each [$311] *$342* which is paid to the veteran or spouse or surviving spouse as an educational assistance allowance for such course.

* * * * * * *

§ 1787. Apprenticeship or other on-job training

(a) An eligible veteran [(as defined in section 1652(a)(1) of this title)] or an eligible person [(as defined in section 1701(a) of this title)] shall be paid a training assistance allowance as prescribed by subsection (b) of this section while pursuing a full-time[—]

[(1) program of apprenticeship approved by a State approving agency as meeting the standards of apprenticeship published by the Secretary of Labor pursuant to section 50a of title 29, or]

[(2)] program of [other on-job] training *on the job (including a program of apprenticeship)* approved under [provisions of] section 1777 of this title.

subject to the conditions and limitations [of] *set forth in* chapters 34 and 35 with respect to educational assistance.

(b)(1) The monthly training assistance allowance of an eligible veteran pursuing a program described under subsection (a) shall be as follows:

[

Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$226	$254	$277	$12
Second 6 months	169	197	221	12
Third 6 months	113	141	164	12
Fourth and any succeeding 6-month periods	56	84	108	12

]

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Periods of training	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	*$248*	*$279*	*$304*	*$13*
Second 6 months	*186*	*217*	*243*	*13*
Third 6 months	*124*	*155*	*180*	*13*
Fourth and any succeeding 6-month periods	*62*	*92*	*119*	*13*

(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be computed at the rate prescribed in paragraph (1) of this subsection for an eligible veteran with no dependents pursuing such a course.

(3) In any month in which an eligible veteran or person pursuing a program of apprenticeship or a program of other on-job training fails to complete one hundred and twenty hours of training in such month, the monthly training assistance allowance set forth in subsection (b) (1) or (2) of this section, as applicable, shall be reduced proportionately in the proportion that the number of hours worked bears to one hundred and twenty hours rounded off to the nearest eight hours.

(c) For the purpose of this chapter, the terms "program of apprenticeship" and "program of other on-job training" shall have the same meaning as "program of education"; and the term "training assistance allowance" shall have the same meaning as "educational assistance allowance" as set forth in chapters 34 and 35 of this title.

* * * * * * *

§ 1795. Limitation on period of assistance under two or more programs

The aggregate period for which any person may receive assistance under two or more of the laws listed below—

(1) parts VII or VIII, Veterans Regulation numbered 1(a), as amended;

(2) title II of the Veterans' Readjustment Assistance Act of 1952;

(3) the War Orphans' Educational Assistance Act of 1956;

(4) chapters [31,] ***32*, 34, 35, and 36 of this title, and the former chapter 33**

may not exceed forty-eight months (or the part-time equivalent thereof)**[, but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone]**. *No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section for a period in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided for by such chapter are required to accomplish the rehabilitation purposes set forth in such chapter.*

* * * * * * *

Subchapter III—Education Loans to Eligible Veterans and Eligible Persons

§ 1798. Eligibility for loans; amount and conditions of loans; interest rate on loans

(a) Each eligible veteran and eligible person shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran or person satisfies the requirements set forth in subsection (c) of this section and the criteria established under subsection (g) of this section.

(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran or eligible person shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran or person to pursue a program of education at the institution at which the veteran or person is enrolled, as determined under paragraph (2) of this subsection.

(2)(A) The amount needed by a veteran or person to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran or person which may be reasonably expected to be expended by such veteran or person for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which such veteran or person is enrolled.

(B) The term "total amount of financial resources" of any veteran or person for any year means the total of the following:

(i) The annual adjusted effective income of the veteran or person less Federal income tax paid or payable by such veteran or person with respect to such income.

(ii) The amount of cash assets of the veteran or person.

(iii) The amount of financial assistance received by the veteran or person under the provisions of title IV of the Higher Education Act of 1965, as amended.

(iv) Educational assistance received by the veteran or person under this title other than under this subchapter.

(v) Financial assistance received by the veteran or person under any scholarship or grant program other than those specified in clauses (iii) and (iv).

(C) The term "actual cost of attendance" means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran or person is enrolled.

(3) The aggregate of the amounts any veteran or person may borrow under this subchapter may not exceed [$311] *$342* multiplied by the number of months such veteran or person is entitled to receive educational assistance under section 1661 or subchapter II of chapter 35, respectively, of this title, but not in excess of $2,500 in any one regular academic year.

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CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

Sec.
2001. Definitions.
2002. Purpose.
2002A. Deputy Assistant Secretary of Labor for Veterans' Employment.
2003. Assignment of veterans' employment representative.
2003A. Veterans' Employment and Training Outreach Program.
2004. Employees of local offices.
2005. Cooperation of Federal agencies.
2006. Estimate of funds for administration; authorization of appropriations.
2007. Administrative controls; annual report.
2008. Cooperation and coordination with the Veterans' Administration.

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§ 2003. Assignment of veterans' employment representative

The Secretary of Labor shall assign to each State a representative of the Veterans' Employment Service to serve as the veterans' employment representative (*and shall assign full-time clerical support to each such representative*) and shall further assign to each State one assistant veterans' employment representative per each 250,000 veterans and eligible persons of the State veterans population, and such additional assistant veterans' employment representatives as the Secretary shall determine, based on the data collected pursuant to section 2007 of this title, to be necessary to assist the veterans' employment representative to carry out effectively in that State the purposes of this chapter. Each veterans' employment representative and assistant veterans' employment representative shall be an eligible veteran who at the time of appointment shall have been a bona fide resident of the State for at least two years and who shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates. Each such veterans' employment representative and assistant veterans' employment representative shall be attached to the staff of the public employment service in the State to which they have been assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the Secretary's veterans' and eligible persons' counseling and placement policies through the public employment service and in cooperation with manpower and training programs administered by the Secretary or by prime sponsors under the Comprehensive Employment and Training Act in the State. In cooperation with the public employment service staff and the staffs of each such other program in the State, the veterans' employment representative and such representative's assistants shall—

(1) be functionally responsible for the supervision of the registration of eligible veterans and eligible persons in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans and eligible persons in employment and job training programs;

(2) engage in job development and job advancement activities for eligible veterans and eligible persons, including maximum coordination with appropriate officials of the Veterans' Administration in that agency's carrying out of its responsibilities under subchapter IV of chapter 3 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans and eligible persons with appropriate job and job training opportunities;

(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veteran's or an eligible person's particular qualifications with an available job or on-job training or apprenticeship opportunity which is commensurate with those qualifications;

(4) promote the interest of employers and labor unions in employing eligible veterans and eligible persons and in conducting on-job training and apprenticeship programs for such veterans and persons;

(5) maintain regular contact with employers, labor unions, training programs and veterans' organizations with a view to keeping them advised of eligible veterans and eligible persons available for employment and training and to keeping eligible veterans and eligible persons advised of opportunities for employment and training;

(6) promote the participation of veterans in Comprehensive Employment and Training Act programs and monitor the implementation and operation of Comprehensive Employment and Training Act programs to assure that eligible veterans receive special consideration when required; and

(7) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans and eligible persons.

§ 2003A. Veterans' Employment and Training Outreach Program

(a)(1) The Secretary of Labor shall make available to each State, directly or by grant or contract, such funds as may be necessary to support a program of employment and training outreach designed to meet the employment needs of veterans, especially disabled veterans of the Vietnam era. Funds provided to a State shall be sufficient to support the assignment of one veterans' employment and training outreach program specialist for each 5,300 Vietnam-era and disabled veterans residing in such State. Such specialist shall be a veteran, and shall be a disabled Vietnam-era veteran or disabled veteran unless the Secretary finds that a disabled Vietnam-era or disabled veteran is not available, and shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State concerned. Such additional funds as may be necessary to support the reasonable expenses of such specialists for training, travel, supplies, and fringe benefits shall also be made available by the Secretary to the State.

(2) Specialists assigned pursuant to paragraph (1) of this subsection shall be in addition to and shall not supplant employees assigned to local employment service offices pursuant to section 2004 of this title.

(b) Pursuant to regulations prescribed by the Secretary, veterans' employment and training outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for services as follows: to disabled Vietnam-era veterans who are participating in or have completed a program of vocational rehabilitation under chapter 31 of this title; to other disabled veterans; and to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title. Maximum emphasis shall be placed on assisting economically or educationally disadvantaged veterans. Not more than three-quarters of the veterans' employment and training outreach program specialists in each State shall be stationed at local employment service offices in such State. Specialists not so stationed shall be stationed at centers established by the Veterans' Administration to provide a program of readjustment counseling pursuant to section 621A of this title, veterans assistance offices established by the Veterans' Administration pursuant to section 242 of this title, and such other sites as may be determined appropriate in accordance with regulations jointly prescribed by the Secretary and the Administrator.

(c) Each veterans' employment and training outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

(1) Develop job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

(2) Pursuant to regulations jointly prescribed by the Secretary and the Administrator, promote, develop, and, as appropriate, approve apprenticeship and other on-job training positions pursuant to section 1787 of this title.

(3) ***Carry out outreach activities to locate such veterans through contacts with local veterans organizations, the Veterans' Administration, the State employment service agency and local employment service offices, and community-based organizations.***

(4) ***Provide appropriate assistance to community-based groups and organizations and prime sponsors under the Comprehensive Employment and Training Act in providing services to such veterans.***

(5) ***Provide appropriate assistance to local employment service offices employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.***

(6) ***Consult and coordinate with other appropriate representatives of Federal, State, and local programs for the purpose of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.***

(7) ***Carry out such other duties as will promote the development of entry-level and career job opportunities for such veterans.***

(d) ***Individuals serving as staff in the Disabled Veterans Outreach Program conducted under title III of the Comprehensive Employment and Training Act on the date of enactment of this section shall be appointed as veterans' employment and training outreach program specialists in the State in which such individual is so serving, unless the Secretary for good cause shown determines that such individual is not qualified for such appointment.***

(e) ***The Secretary shall administer the program provided for by this section through the Deputy Assistant Secretary for Veterans' Employment.***

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APPENDIX C

[Excerpts from the Congressional Record—Senate, vol. 126, No. 136, pp. S11988–S12030, Sept. 4, 1980]

Disabled Veterans Rehabilitation Act of 1980

The Acting President pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, which the clerk will state by title.

The assistant legislative clerk read as follows:

"A bill (S. 1188) to improve and modernize the vocational rehabilitation program provided service-disabled veterans under Chapter 31 of Title 38, United States Code, and for other purposes."

The Senate resumed consideration of the bill.

Mr. Cranston. Mr. President, I suggest the absence of a quorum.

The Acting President pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. Stafford. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The Presiding Officer. Without objection, it is so ordered.

Mr. Stafford. Mr. President, I ask unanimous consent that Garner Shriver of the staff of the Committee on Veterans' Affairs may have the privilege of the floor during consideration of the veterans legislation and all votes thereon.

The Presiding Officer. Without objection, it is so ordered.

Mr. Stafford. Mr. President, I suggest the absence of a quorum.

The Presiding Officer. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. Robert C. Byrd. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The Presiding Officer. Without objection, it is so ordered.

Mr. Robert C. Byrd. Mr. President, I ask unanimous consent that, on the amendment by Mr. Pressler, there be a 90-minute time limitation, to be equally divided in accordance with the usual form, and that there be, on any amendment to the amendment, 30 minutes, to be equally divided in accordance with the usual form.

Mr. Stafford. Mr. President, reserving the right to object, the minority manager is not here. I am not sure whether he has been consulted on this agreement. I respectfully suggest that the request be withheld. I think it will be agreed to when he gets here.

Mr. Robert C. Byrd. Mr. President, I withdraw my request temporarily. I yield the floor.

Mr. Stafford. Mr. President, it is the understanding of the Senator from Vermont that opening statements on S. 1188, the Disabled Veterans Rehabilitation Act, were printed in the Record last week. The Senator from Vermont does have an opening statement and it is his intention to proceed with that statement at this time.

A parliamentary inquiry, Mr. President.

The Presiding Officer. The Senator will state it.

Mr. Stafford. It is the understanding of the Senator from Vermont that there is no time agreement pending at the present time, either on the bill or amendments.

The Presiding Officer. The Senator is correct.

Mr. Stafford. I thank the Chair.

Mr. President, I support S. 1188, the Disabled Veterans Rehabilitation Act of 1980. One of the most pleasant and rewarding features of service on the Committee on Veterans' Affairs is to spend time and effort in behalf of veterans disabled as a result of wartime service in our Nation's Armed Forces. Consistent with the feature of contribution and satisfaction, our committee unanimously recommends the bill we are now considering—S. 1188—which improves and modernizes the disabled veterans rehabilitation program.

The first legislation to provide vocational rehabilitation for service-connected disabled veterans was in 1917, when Congress enacted the War Risk Insurance Act. Then, in 1918, the Vocational Rehabilitation Act was passed to provide for service-connected disabled veterans' vocational rehabilitation. Under this act, the veteran had to demonstrate inability to carry on gainful employment or reenter the occupation he left when entering service. This program for World War I disabled veterans ended in 1928.

Congress has, from time to time since 1928, enacted various laws expanding and improving the VA's rehabilitation program. A Veterans' Administration study and an extensive study by the General Accounting Office have recommended various administrative and legislative changes in the rehabilitation program.

As a result of these studies and of careful consideration by the Committee on Veterans' Affairs and its staff, S. 1188 has been drafted to provide a more effective and improved program of assistance in the rehabilitation of service-connected disabled veterans.

This bill proposes a principal change from the current rehabilitation program in the purpose—a change from the purpose of achieving employability to helping the veteran to find and maintain employment in a suitable job with emphasis on employment assistance, including postplacement service, and the bill includes pretraining services to help improve the ability of severely disabled veterans to participate in vocational training.

The General Accounting Office's study recommended the implementation of the case-manager concept whereby one person would be assigned the responsibility and held accountable for the veteran's case from point of application through employment placement, including followup services to be provided the veteran. Our committee agreed with this recommendation and has included the case-manager concept in the bill we are now considering.

Mr. President, S. 1188 would enlarge and expand the scope of service offered under chapter 31, including pretraining services to help improve the ability of severely disabled veterans to participate in vocational training.

The existing VA program under chapter 31 stresses vocational training and relies on other programs to meet basic needs in connection with the veteran's ability to function. This bill emphasizes a unified program of vocational, prevocational, nonvocational, and posttraining services and assistance. Management and counseling personnel are responsible for the success of the entire rehabilitation program.

Our bill makes provision for the furnishing of independent living services to seriously disabled veterans in need of this kind of assistance to achieve a maximum level of independent, self-sustaining life in their families and communities. The bill also creates a 4-year pilot program of independent living services, limited to 500 new participants each year. This pilot program is for those who are determined to be too severely disabled to pursue a vocational goal.

For many veterans with serious disabilities which impair their abilities to care for themselves, to move about in their homes and communities, and to communicate and deal effectively with others, these so-called "independent living services" are needed to enable them to achieve a maximum level of independent living, and indeed, in finding and maintaining gainful employment. Members of our committee feel that the VA's rehabilitation program should offer the seriously disabled veterans the very best opportunity possible for the best possible life.

S. 1188 provides a 10-percent cost-of-living increase in chapter 31 subsistence allowances for institutional training, for farm cooperative and on-job training, and establishes new rates to correspond with the provisions of the committee bill that would establish extended evaluation and a pilot program of independent living services and assistance. The full-time rate for each of these new types of programs would be equal to the full-time rate for institutional training as part of a vocational rehabilitation program.

Our bill would establish a Veterans' Advisory Committee on Rehabilitation to coordinate VA resources devoted to rehabilitation efforts and to serve as a go-between between the VA and other Federal agencies. It would also assist in evaluating veterans' needs in the field of rehabilitation to make sure those needs are being met.

No less than one-half of the membership of the Advisory Committee shall be disabled veterans.

The employment provisions of the committee bill would establish a new veterans' employment and training outreach program, called "VETOP." This new program is based on the current highly successful disabled veterans' outreach program, called "DVOP," now conducted by the Department of Labor under CETA. VETOP specialists would have a variety of responsibilities and duties designed to promote employment and training opportunities for veterans, especially those who have service-connected disabilities—both within local employment service offices and at locations such as the new Veterans' Readjustment Counseling Centers.

The committee bill requires that the Secretary of Labor make sufficient funds available in each State to support a level of approximately 2,000 VETOP specialists throughout the country. These specialists would carry out functions and duties as the DVOP staff now does—reaching out to eligible veterans and making job development contracts with employers. Their priorities would be with disabled veterans who have participated in a program of vocational rehabilitation; other disabled veterans; and other eligible veterans taking into account the needs of categories of veterans with high rates of unemployment, such as young Vietnam-era and minority group Vietnam-era veterans.

S. 1188 also contains provisions to improve the VA's program of training on the job under the GI bill to make the program more attractive to both employers and eligible trainees.

Mr. President, a comprehensive revision of the chapter 31 veterans' rehabilitation program is necessary to serve the rehabilitation needs of this country's service-connected disabled veterans. In addition to the need for more comprehensive service, there is the need to enlarge the purpose of the vocational rehabilitation program from the attainment of employability to include the attainment of suitable employment, to improve outreach efforts to seriously disabled veterans, to place greater emphasis on meeting the counseling needs of veterans throughout the rehabilitation process and to increase the availability and use of on-job training under chapter 31.

Mr. President, I do not intend to discuss all of the changes proposed by this bill; however, I am hopeful that an improved program of rehabilitation for veterans will result during the closing days of this Congress. I commend S. 1188 to my colleagues as worthy of the support of the entire Senate.

Mr. Thurmond. Mr. President, I support S. 1188, the Disabled Veterans Rehabilitation Act of 1980.

S. 1188, as reported by the Senate Committee on Veterans' Affairs, will overhaul chapter 31 of title 38, United States Code. Prior legislative action in the area of the Veterans' Administration's vocational rehabilitation program has been addressed only in piecemeal fashion since 1943. Although the VA has become a leader of vocational rehabilitation, I believe S. 1188 will be a great improvement to this VA program and will enhance the rehabilitation opportunities of our disabled veterans.

Mr. President, S. 1188 would expand the purpose and effective operation of the VA's rehabilitation program beyond the achievement of a veteran's employability to that of obtaining and maintaining suitable employment. The VA would take a greater role in not only training a disabled veteran for a particular occupation but the agency would expand its function in assisting the veteran in obtaining employment.

The VA would be given authority to provide a broader range of services and assistance than is provided under current law. Due to the great advances that have been made in the past few years in the field of rehabilitative medicine, the VA's authority to provide these services pursuant to existing law has been questioned. Therefore S. 1188 provides greater latitude for the VA to utilize a full range of rehabilitative and employment services.

Mr. President, the Administrator's responsibility to seek and insure that veterans participating in chapter 31 programs obtain employment will be expanded. The Administrator will be greatly involved in all Federal veterans employment efforts and programs. These would include the Comprehensive Employment Training Administration (CETA) program within the Department of Labor; the veterans cost of instruction program (VCIP) conducted by the Department of Education; and provisions mandating preference for veterans under the Small Business Act, and other similar programs.

Mr. President, I am pleased that S. 1188 contains a provision that would provide, by statute, a clerical secretary for each of the 52 State representatives of the Veterans' Employment Service. Thus, these secretaries will become an integral part of the Veterans' Employment Service and its effort to assist veterans to obtain employment in each State.

I believe, Mr. President, that S. 1188 as reported will provide the VA with the needed statutory authority to render service and training to those veterans who have been disabled while serving our Nation. I urge my colleagues to support S. 1188.

Mr. Cranston addressed the Chair.

The Acting President pro tempore. The Senator from California.

Mr. Cranston. I renew the request of the majority leader, to a time agreement on the Pressler amendment.

Mr. Stafford. Mr. President, reserving the right to object——

Mr. Cranston. That has been cleared.

Mr. Stafford. I understand that would be 45 minutes a side on the Pressler amendment, 90 minutes equally divided, with 30 minutes on any secondary amendment, motion, or appeal. Am I correct?

Mr. Cranston. That is correct. And in the regular order.

The Acting President pro tempore. Is there objection?

Mr. Pressler. Mr. President, reserving the right to object, and I do not intend to object, I wish to thank the majority for agreeing. As I understand it, I will get an up or down vote on the amendment.

Mr. Cranston. That is not included in the time agreement. But that is the intent.

Mr. Pressler. Then I would have no further objection.

Mr. Stafford. Mr. President, on my reservation, on the right to object, I do not object.

The Acting President pro tempore. Without objection, the request is agreed to.

AMENDMENT NO. 1906

(Purpose: To provide for a program of career development, advancement, and training and for outreach and supportive services for veterans of the Vietnam era and for certain other veterans)

Mr. Pressler. Mr. President, I have a printed amendment at the desk numbered 1906, which I would like to call up.

The Acting President pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. Pressler) proposes an amendment numbered 1906, as modified:

On page 71, between lines 3 and 4, insert a new title as follows:

"TITLE III—VETERANS CAREER DEVELOPMENT, ADVANCEMENT, AND TRAINING ASSISTANCE

"ESTABLISHMENT OF CAREER DEVELOPMENT, ADVANCEMENT," AND TRAINING ASSISTANCE PROGRAM USING EDUCATIONAL ASSISTANCE ENTITLEMENT

"Sec. 1001. (a) Part III is amended by adding at the end thereof the following new chapter:

"Chapter 45—Veterans Career Development Advancement and Training Assistance

"Subchapter I—Purpose: Definitions

"Sec.
"2101. Purpose.
"2102. Definitions.

"Subchapter II—Eligibility and Entitlement

"2103. Establishment of program.
"2104. Eligibility; entitlement; duration.
"2105. Time limitations for completing a program of career development or training.
"2106. Occupational and vocational counseling.

"Subchapter III—Enrollment

"2111. Selection of program.
"2112. Applications; approval.
"2113. Disapproval of enrollment in certain program.
"2114. Discontinuance for unsatisfactory conduct or progress.

"Subchapter IV—Payments to Eligble Employers

"2121. Career development and advancement and career development and training allowances.
"2122. Computation of career development and advancement and career development and assistance allowances.
"2123. Payment of career development and advancement or career development and training assistance allowances.

"Subchapter V—Approval

"2131. Approval of programs.
"2132. Authority for approval.
"2133. Approval of career development and training programs.
"2134. Notice of approval of programs.
"2135. Disapproval of programs.
"2136. Overpayments to eligible employers.
"2137. Discontinuances of allowances; examination of records; false or misleading statements.
"2138. Change of program.
"2139. Compliance surveys of employers.

"2140. Duties of the Secretary of Labor.
"2141. Veterans information and outreach.
"2142. Termination dates.

"Subchapter I—Purposes; Definitions

"§ 2101. Purpose.

"The Congress hereby declares that the career development, advancement, and training program created by this chapter is for the purpose of—

"(1) extending the benefits of a meaningful career to qualified and deserving veterans who might otherwise be unable to attain a meaningful career opportunity;

"(2) providing vocation readjustment and restoring lost career opportunities to those individuals whose careers have been interrupted or impeded by reason of active military service after August 4, 1964;

"(3) aiding such individuals in attaining the vocational and occupational status which they might normally have aspired to and obtained had thet not served their country; and

"(4) providing an opportunity for such individuals to attain their full employment capability to increase their earned income and to attain their economic self-sufficiency.

"§ 2102. Definitions

"For the purposes of this chapter—

"(a)(1) The term 'eligible veterans' means a veteran who—

"(A) served on active duty for a period of more than one hundred and eighty days, any part of which occurred after August 4, 1964, and before January 1, 1977, and was discharged or released therefrom under conditions other than dishonorable:

"(B) contracted with the Armed Forces and was enlisted in or assigned to a Reserve component prior to January 1, 1977, and as a result of such enlistment or assignment served on active duty for a period of more than one hundred and eighty days, any part of which commenced within twelve months after January 1, 1977, and was discharged or released from such active duty under conditions other than dishonorable; or

"(C) was discharged or released from active duty, any part of which was performed after August 4, 1964, and before January 1, 1977, or following entrance into active service from an enlistment provided for under clause (B) of this paragraph, because of a service-connected disability.

"(2) For purposes of paragraph (1)(A) of this subsection and section 1661(a) of this title, the term 'active duty' does not include any period during which an individual (A) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (B) served as a cadet or midshipman at one of the service academies, or (C) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve, Marine Corps Reserve, or Coast Guard Reserve unless at some time subsequent to the completion of such period of active duty for training such individual served on active duty for a continuous period of one year or more (not including any service as a cadet or midshipman at one of the service academies).

"(b) The term 'eligible employer', when used with respect to the employment of a veteran, means any public or private employer who meets the criteria set forth in this chapter and such other criteria as the Administrator considers necessary and appropriate.

"(c) The term 'dependent' means—

"(1) a child of an eligible veteran;

"(2) a dependent parent of an eligible veteran; and

"(3) the spouse of an eligible veteran.

"Subchapter II—Eligibility and Entitlement

"§ 2103. Establishment of program

"(a) The Administrator shall establish a program in accordance with this chapter to assist eligible veterans in selecting and pursuing career development and advancement programs and career development and training programs.

"(b) A career development and advancement program is a program under this chapter that will assist an eligible veteran to acquire full-time permanent employment or to advance in such veteran's chosen career and to increase such veteran's earned income and economic self-sufficiency through a partial subsidy of such veteran's wages and benefits.

"(c) A career development and training program is a program under this chapter that will assist an eligible veteran to acquire full-time permanent employment, to advance in such veteran's chosen occupation, and to increase such veteran's earned income and economic self-sufficiency through a subsidy of training costs and partial subsidy of such veteran's wages and benefits.

"§ 2104. Eligibility; entitlement; duration

"(a) Subject to section 2122 of this chapter, an eligible veteran is entitled to a career development and advancement allowance or a career development and training allowance under this chapter in an amount equal to the amount of the entitlement of such veteran, and for the period of the entitlement of such veteran, remaining under the provisions of section 1661 or section 1631 of this title, as the case may be.

"(b) Entitlement under this chapter in the case of any eligible veteran may not exceed the number of months specified in section 1622(a) of this title.

"(c) A veteran described in clause (A) or (B) of paragraph (1) of section 2122(a) of this title whose annual income exceeds $13,000 at the time of application for assistance under this chapter may not participate unless the Administrator determines that the participation of such veteran is necessary and appropriate for such veteran's readjustment, rehabilitation, or productive employment.

"§ 2105. Time limitations for completing a program of career development or training

"Notwithstanding the provisions of section 1662 of this title, an eligible veteran may pursue a program of career development and advancement or a program of career development and training under this chapter if such veteran otherwise meets the eligibility criteria set forth in this chapter.

"§ 2106. Occupational and vocational counseling

"The counseling to be made available under section 1663 of this title shall include such occupational skills assessment counseling and assistance as the Administrator determines to be necessary and appropriate for the effective implementation of this chapter.

"Subchapter III—Enrollment

"§ 2111. Selection of program

"Subject to the provisions of this chapter, an eligible veteran may select a program of career development and advancement or a program of career development and training with an eligible employer for the purpose of assisting such veteran in attaining an occupational, professional, or vocational objective or advancing in such veteran's chosen career field (approved in accordance with the provisions of this chapter) selected by the eligible veteran, if such eligible employer hires such veteran into its regular workforce with the expectations by the employer of permanent employment of the veteran after the training and career development assistance ends.

"§ 2112. Applications; approval

"An eligible veteran who desires to undertake a program of career development and advancement or career development and training under this chapter shall submit an application for such program to the Administrator in such form and containing such information as the Administrator may prescribe. The Administrator shall approve such an application unless the Administrator finds that the veteran is not eligible for or entitled to the career development and advancement or career development and training assistance applied for, that the veteran's program of career development and advancement or career development and training applied for fails to meet the requirements of this chapter, that the veteran is already qualified, or that such veteran's readjustment or employment would not be assisted or advanced by participation in such program.

"§ 2113. Disapproval of enrollment in certain program

"The Administrator may not approve the enrollment of a veteran in a program for employment—

"(1) which consists of seasonal, intermittent, or temporary jobs, except that the Administrator may approve enrollment in a program for employment on a seasonal basis if the Administrator determines such action appropriate under all the circumstances;

"(2) which pays less than $4 per hour (exclusive of benefits and other nonmonetary remuneration) unless the Administrator determines in a particular case that this clause shall not apply;

"(3) which is outside the United States or its territories or possessions;

"(4) under which commissions are the primary source of income;

"(5) which involves political or religious activities;

"(6) which is in an industry in which a substantial number of experienced and able workers are unemployed;

"(7) under which the job is above entry level, except when applicable personnel procedures and collective bargaining procedures regarding the advancement of currently employed workers are complied with;

"(8) which would result in the displacement of any currently employed worker (including partial displacement such as reduction in the amount of nonovertime work); or

"(9) in a job which if filled would replace any worker who is on layoff or on strike.

"§ 2114. Discontinuance for unsatisfactory conduct or progress

"(a) The Administrator shall discontinue the career development and advancement allowance or the career development and training allowance of a veteran if the Administrator finds that, according to the standards that the Administrator may prescribe or the regularly prescribed standards of the eligible employer, the conduct or progress of the veteran is unsatisfactory. Unless the Administrator finds there are mitigating circumstances, progress will be considered unsatisfactory at any time the veteran is not progressing at a rate that will permit the veteran to complete training, retain such employment, or advance in such career field according to criteria set forth in this chapter or in agreements certified to the Veterans' Administration or within such other length of time (exceeding such approved length) as the Administrator determines to be reasonable in accordance with regulations.

"(b) The Administrator may renew the payment of a career development and advancement allowance or the career development and training allowance suspended under subsection (a) of this section only if the Administrator finds that—

"(1) the cause of the unsatisfactory conduct or progress of the veteran has been removed; and

"(2) the program which the veteran now proposes to pursue (whether the same as the program originally pursued or revised) is suitable to the aptitudes, interests, and abilities of the veteran.

"Subchapter IV—Payments to Eligible Employers

"§ 2121. Career development and advancement and career development and training allowances

"The Administrator shall, in accordance with the applicable provisions of this title, pay to each eligible employer on behalf of each eligible veteran pursuing a program of career development and advancement or career development and training under this chapter with such employer a monthly allowance (computed under section 2122 of this title) to meet, in part, the expenses of such veteran's wages, benefits, and training and other necessary or appropriate costs.

"§ 2122. Computation of career development and advancement and career development and assistance allowances

"(a)(1) Subject to the provisions of subsections (b) and (c) of this section, the amount of a career development and advancement or career development and training allowance to be paid under section 2121 of this title may not exceed the applicable amount provided under section 1682(a)(1) of this time in the case of a veteran whose eligibility is derived under chapter 34 of this title and who is pursuing a full-time program of institutional training as determined by the veteran's dependency status. Such assistance shall be paid for a period of—

"(A) twelve months, for an eligible veteran with a service-connected disability who served on active duty during the Vietnam era and is entitled to disability compensation under laws administered by the Veterans' Administration;

"(B) nine months, for an eligible veteran who served on active duty in the Indochina theater of operations or Korea during the Vietnam era.

"(2) Assistance under this chapter shall be paid for a period of eighteen months in the case of an eligible veteran who, after counseling under section 1663 of this title, is found to be experiencing serious rehabilitation, readjustment, or employment problems that require an extension of the time period authorized under the second sentence of paragraph (1) of this subsection in order to allow the veteran to pursue and satisfactorily complete a program of career development and advancement or a program of career development and training under this chapter.

"(b) The amount of a career development and advancement allowance paid to an eligible employer on behalf of an eligible veteran—

"(1) may not exceed one-third of the gross wages and benefits paid by such employer to such eligible veteran; and

"(2) may not exceed the amount of increased gross wages and benefits of any eligible veteran whose career has been advanced under this program.

"(c) The amount of a career development and training allowance paid to an eligible employer on behalf of an eligible veteran—

"(1) may not exceed the actual cost of training as provided in section 2133 of this title plus an amount equal to one-fourth of the amount in wages and benefits paid by such employer to such eligible veteran, except that the total amount may not exceed an amount equal to 50 per centum of the wages and benefits paid by such employer to such eligible veteran, unless intensive training or additional training arrangements are necessary for veterans with severe employability problems, particularly for disabled veterans; and

"(2) may not exceed by more than twice the annual amount of increased gross wages and benefits of any eligible veteran whose career and income have been advanced through training under this program.

"(d) A career development and advancement allowance or career development and training allowance paid under this section shall be charged against the period of entitlement of the eligible veteran under section 1661(a) or section 1631(a) of this title, as appropriate.

"§ 2123. Payment of career development and advancement or career development and training assistance allowances

"(a) Payment of a career development and advancement allowance on behalf of a veteran for any period may not be made to an eligible employer employing such veteran until the Administrator has received—

"(1) from such veteran, a certification as to such veteran's actual employment with such employer and attendance during such period; and

"(2) from the employer, a certification (or an endorsement on the eligible veteran's certification) that such veteran was satisfactorily employed and pursuing a program of career development and advancement during such period.

"(b) Payment of a career development and training allowance on behalf of a veteran may not be made to an eligible employer employing such veteran until the Administrator has received—

"(1) from such veteran, a certification as to such veteran's actual employment, attendance, and training with such employer during such period; and

"(2) from the employer, a certification (or an endorsement on the veteran's certification) that such veteran was employed and progressing satisfactorily while pursuing a program of career development and training during such period.

"Subchapter V—Approval

"§ 2231. Approval of programs

"An eligible employer may be paid a career development and advancement allowance or a career development and training allowance on behalf of an eligible veteran participating in a career development and advancement program or a career development and training program offered by such employer only if such program is approved in accordance with this subchapter.

"§ 2132. Authority for approval

"Subject to the provisions of this title and such regulations the Administrator may prescribe a program of career development and advancement or career development and training may be approved—

"(1) by the Administrator, the Secretary of Labor, by a prime sponsor designated under section 101 of the Comprehensive Employment and Training Act or, in the case of a program of career development and training involving apprenticeship, by an approving agency meeting the standards of apprenticeship published by the Secretary of Labor pursuant to section 2 of the Act of August 16, 1937 (commonly referred to as the 'National Apprenticeship Act') (29 U.S.C. 5a); or

"(2) by such other means as the Administrator may consider appropriate.

"§ 2133. Approval of career development and training programs

"(a) Any entity having authority under section 2132 of this title to approve programs under this chapter (hereinafter in this chapter referred to as an 'approving agency') may not approve a program of career development and training (other than a program of apprenticeship) unless it finds that the career which is the objective of the training is one in which progression and appointment to the next higher classification are base upon skills learned through organized and supervised training (including cooperative training, as defined in section 1682(a)(2) of this title), and not on factors such as length of service, and normal turnover, and that the provisions of subsections (b), (c), and (d) of this section are met.

"(b) The employer or training establishment offering training which is desired to be approved for the purposes of this chapter must submit to the appropriate approving agency a written application for such approval which, in addition to furnishing such information as it required by the approving agency, shall contain a certification—

"(1) the wages and benefits to be paid to veterans participating in a program under this chapter are not less than the wages and benefits normally paid for the job for which the veteran is to be trained;

"(2) the amount of the career development and training allowance to be paid to such employer on behalf of a veteran does not exceed the actual cost of the training plus an amount equal to one-fourth of the amount in wages and benefits paid to the veteran, except that the total amount may not exceed an amount equal to 50 per centum of the wages and benefits paid to the veteran, unless intensive training or additional training arrangements are necessary for veterans with severe employability problems, and particular for disabled veterans; and

"(3) there is reasonable certainty that the career or position for which the veteran is to be trained will be available to such veteran at the end of the training period.

"(c) Before approving a program of career development and training (other than a program of apprenticeship), the approving agency must find (upon investigation) that the following criteria are or will be met by the employer applying for approval:

"(1) The training content of the course is adequate to qualify a veteran participating in the program for appointment to a position in the career filed for which such veteran is to be trained.

"(2) The career field or position customarily requires full-time training for a period of not less than four months.

"(3) The length of the training period under the proposed program is not longer than that customarily required by employers and training establishments in the community to provide a person with the required skills and to arrange for the acquisition of job knowledge, technical information, and other facts which a veteran will need to learn in order to become competent in the career field or position for which the veteran is being trained.

"(4) Provision is made for related instruction for individual veterans who may need related instruction.

"(5) There is in the training establishment or place of employment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training on the job.

"(6) Adequate records will be kept to show the progress made by each veteran participating in the program toward such veteran's career objective.

"(7) The course of training will not be given to veterans who are already qualified by training and experience for the career or position.

"(8) A signed copy of the training agreement for each eligible veteran, including the training program and wage scale as approved by the approving agency, will be provided by the employer to the veteran, the Administrator, and approving agency.

"(9) Reasonable efforts will be made to provide special training and employment opportunities and working conditions for disabled veterans.

"(10) The program meets such other criteria as may be established by the approving agency.

"(11) There is a reasonable certainty that a position for which a veteran was hired, or a position to which a veteran is intended to be promoted, will be reasonably available for the veteran at the end of the period for which a career development and advancement allowance was paid to the eligible employer.

"(d) Before approving a program of career development and advancement, the approving agency must find (upon investigation) that the following criteria are or will be met by the employer applying for approval:

"(1) The program offered by the employer is not one described in section 2113 of this title.

"(2) The selection of eligible veterans for hiring, upgrading, promotion, or advancement will be based upon the potential and qualifications of such veterans for the career or advancement the veterans are seeking.

"(3) The program will provide eligible veterans with reasonable progression, resulting in qualification for a recognized position of greater skill, responsibility, remuneration, or career advancement in the employment of such employer.

"(4) Adequate personnel, attendance, and progress records will be maintained.

"(5) The program is designed so that to the extent feasible, additional vacancies will be created for new entry level employment and training opportunities for women and members of appropriate minority groups (as determined by the Administrator in consultation with the Director of the Office of Personnel Management).

"(6) Compensation will be paid by the employer at rates, including periodic increases, considered by the approving agency to be reasonable, considering such factors as industry practice, skill requirements, individual proficiency, geographical region, and a veteran's dependency status, age, and previous work experience.

"(7) The employer is financially sound and capable of fulfilling its commitments.

"(8) A comprehensive job description is available for each job or position for which approval is requested.

"(9) The employer will not exceed enrollment limitations as established by the approving agency.

"(10) If a career development and advancement program is for or from positions covered by a collective bargaining agreement, arrangements with the employer to carryout the program have the concurrence of labor organizations representing employees in such positions.

"§ 2134. Notice of approval of programs

"The approving agency, upon determining that an eligible employer has complied with the requirements of this chapter, shall issue a certification to such employer setting forth the jobs or positions which have been approved for a program of career development and advancement or a program of career development and training for the purposes of this chapter and shall furnish a copy of such certificate and any subsequent amendment of such certificate to the Administrator and to the Secretary of Labor. The certificate of approval shall be accompanied by a copy of a catalog or bulletin of the eligible employer, as approved by the approving agency, and shall contain the following information:

"(1) The date of certification and the effective date of approval of programs.

"(2) The name and address of the employer.

"(3) The authority for approval and the conditions of approval, referring specifically to the approved catalog or bulletin published by the eligible employer.

"(4) The name and description of each job, career, position, or advancement opportunity approved.

"(5) If applicable, limitations with respect to enrollment, hiring, and advancement.

"(6) The signature of responsible official of the appropriate approving agency.

"(7) Such other provisions as are considered necessary by the appropriate approving agency.

"§ 2135. Disapproval of programs

"Any program of career development and advancement of career development and training approved for the purposes of this chapter which after such approval fails to meet any of the requirements of this chapter shall immediately be disapproved by the appropriate approving agency. An eligible employer which has its program disapproved by an approving agency under this section shall be notified of such disapproval by a certified or registered letter of notification, and a return receipt shall be secured.

"§ 2136. Overpayments to eligible employers

"Whenever the Administrator finds that an overpayment has been made to an eligible employer under this chapter as the result of (1) the willful or negligent failure of such employer to report, as required by this chapter and application regulations, to the Administrator excessive absences from work or discontinuance or interruption of a program of career development and advancement or career development and training by such veteran, or (2) false certification by an eligible employer, the amount of such overpayment shall constitute a liability of such employer and may be recovered in the same manner as any other debt due the United States, and such employer shall be suspended from further participation in any program under this chapter. This section shall not preclude the imposition of any civil or criminal liability under any other law.

"§ 2137. Discontinuance of allowances; examination of records; false or misleading statements

"(a)(1) The Administrator may discontinue a career development and advancement or career development and training allowance paid to an eligible employer on behalf of an eligible veteran if the Administrator finds that the program of career development and advancement or career development and training or any job, career, or position in which such veteran is enrolled or employed fails to meet any of the requirements of this chapter or applicable provisions of this title, or if the Administrator finds that the employer offering such program or employment has violated any provision of this chapter or fails to meet any of the requirements of this title.

"(2) Any action by the Administrator under paragraph (1) of this subsection to discontinue (or suspend) assistance provided to an eligible employer on behalf of an eligible veteran under this chapter shall be based upon evidence that the eligible employer or eligible veteran is not or was not entitled to such assistance. Whenever the Administrator so discontinues any such assistance, the Administrator shall immediately provide written notice to such employer and such eligible veteran of such discontinuance, including a statement of the reasons therefor.

"(b) Notwithstanding any other provision of law, the records and accounts of eligible employers pertaining to eligible veterans who have received career development and advancement or career development and training assistance under the provisions of this chapter or applicable provisions of this title, as well as other records which the Administrator determines necessary to ascertain compliance with the requirements of this chapter, shall be available at a reasonable time for examination by authorized representatives of the Government.

"(c) Whenever the Administrator determines that an eligible employer has willfully submitted a false or misleading claim, or that a veteran, with the complicity of an employer, has submitted such a claim, the Administrator shall make a complete report of the facts thereof to the appropriate approving agency and, if considered advisable, to the Attorney General of the United States for appropriate action.

"§ 2138. Change of program

"(a) Except as provided in subsections (b) and (c) of this section, an eligible veteran may make not more than one change of program of career development and advancement or career development and training under this chapter, but an eligible veteran whose program has been interrupted or discontinued due to the veteran's own neglect, or the veteran's own lack of application, shall not be entitled to make any such change.

"(b) The Administrator may approve one additional change in program (or an initial change in the case of a veteran not eligible to make a change under subsection (a) of this section) if the Administrator finds—

"(1) that the program of career development and advancement or career development and training which the veteran proposes to pursue is suitable to the veteran's aptitudes, interests, and abilities; or

"(2) in any instance where the eligible veteran has interrupted, or failed to progress in, the veteran's program due to the veteran's own misconduct, the veteran's own neglect, or the veteran's own lack of application, that there is a reasonable likelihood with respect to the program which the eligible veteran proposes to pursue that there will not be a recurrence of such an interruption or failure to progress.

"(c) The Administrator may also approve additional changes in the program if the Administrator finds such changes are required by circumstances beyond the control of the veteran.

"(d) As used in this section, the term 'change of program of career development and advancement or career development and training' shall not be considered to include a change from the pursuit of one program to pursuit of another when the first program is a prerequisite to, or generally required for, entrance, promotion, or advancement into pursuit of the second.

"§ 2139. Compliance surveys of employers

"The Administrator shall periodically conduct compliance surveys of employers offering one or more programs of career development and advancement or career development and training approved for the enrollment of eligible veterans under the provisions of this chapter. Such surveys shall be made to assure that the eligible employer and the approved programs are in compliance with applicable provisions of this title.

"§ 2140. Duties of the Secretary of Labor

"(a) The Secretary of Labor shall provide for the participation of eligible veterans in career development and advancement and career development and training programs authorized under this Act and under section 12(b)(2)(A) of the Comprehensive Employment and Training Act. In carrying out this responsibility, the Secretary of Labor shall consult with and solicit the cooperation of the Administrator. Actions by the Secretary of Labor under this section shall include the development of career development and advancement and career development and training programs, supportive services, technical assistance and training, support for community-based veterans programs, and other programs as are necessary to serve the unique readjustment, rehabilitation, and employment needs of eligible veterans.

"(b) The Secretary of Labor shall make special efforts to acquaint eligible veterans with the career development and advancement and career development and training opportunities available under this chapter and to coordinate such opportunities with those job opportunities authorized under chapters 41 and 42 of this title and other similar job opportunities offered by other public agencies and organizations.

"(c) Entities which are prime sponsors under the Comprehensive Employment and in Training Act shall provide such arrangements (to include program approval) as may be necessary and appropriate to promote maximum feasible development and use of career development and advancement and career development and training programs and opportunities authorized under this chapter.

"§ 2141. Veterans information and outreach

"The Administrator (in consultation and cooperation with the Secretary of Labor and the Secretary of Health and Human Services) shall provide for an outreach and public information program utilizing, to the maximum extent feasible, the facilities of the Department of Labor to carry out efforts to develop career development and advancement and career development and training programs and opportunities for eligible veterans and to inform such veterans about employment, job development, advancement, and training opportunities under this title and other provisions of law and to inform prime sponsors, Federal contractors and subcontractors, Federal agencies, labor unions, educational institutions, and employers of their legal responsibilities and opportunities with respect to such veterans and to provide them with technical assistance and training in meeting those responsibilities.

"§ 2142. Termination dates

"A veteran may not apply for a program of career development and advancement or career development and training under this chapter after the end of the eighteen-month period beginning on the effective date of this chapter. A career development and advancement or career development and training allowance may not be paid to an eligible employer on behalf of an eligible veteran after the end of the thirty-six-month period beginning on the effective date of this chapter.".

(b) The table of chapters preceding part I and the table of chapters at the beginning of part III are amended by adding after the item relating to chapter 43 the following new item:

"45. Veterans Career Development, Advancement, and Training Assistance .... 2101.".

On page 71, line 4, strike out, "III"' and insert in lieu thereof "IV".
On page 71, line 6, strike out "301" and insert in lieu thereof "401".
On page 71, line 10, strike out "302" and insert in lieu thereof "402".
On page 71, line 12, strike out "303" and insert in lieu thereof "403".
On page 72, line 14, strike out "304" and insert in lieu thereof "404".
On page 72, line 20, strike out "305" and insert in lieu thereof "405".
On page 73, line 14, strike out "306" and insert in lieu thereof "406".
On page 74, line 5, strike out "307" and insert in lieu thereof "407".
On page 74, strike out lines 22, 23, and 24, and insert in lieu thereof the following:

"Sec 408. (a) Except as provided in subsections (b), (c), and (d), the provisions of this Act shall become effective on October 1, 1980.

"(b) In the case of veterans who are participating in a program of vocational rehabilitation under chapter 31 of title 38, United States Code, on September 30, 1980, the Administrator of Veterans' Affairs—

"(1) shall formulate individualized written plans of vocational rehabilitation under section 1507 of such title (as amended by section 101(a) of this Act) for such veterans to the extent that and at such times as the Administrator of

Veterans' Affairs determines that the formulation of such plans is feasible, and shall formulate such plans on the basis of such priorities as the Administrator of Veterans' Affairs shall prescribe; and

"(2) may extend the eligibility of any veteran under section 1503(c) of title 38, United States Code (as amended by section 101(a) of this Act), or the period of vocational rehabilitation under section 1505(c) of such title (as amended by section 101(a) of this Act) without regard to the requirements for a determination of a serious employment handicap.

"(c) The amendments made by title III of this Act shall become effective on March 1, 1981, in the case of veterans who have service-connected disabilities and who have serious readjustment, rehabilitation, or employment problems, and in the case of veterans who served in the Indochina theatre of operations or Korea during the Vietnam era (as defined in section 101(29) of title 38, United States Code) unless sufficient funds are made available before such date to carry out the provisions of chapter 45 of title 38, United States Code, as added by title III of this Act, in which event the effective date in the case of such veterans shall be the first date on which such funds become available for such purpose (as determined by the Administrator of Veterans' Affairs).

"(d) The amendments made by sections 210, 211, and 212 shall become effective on December 1, 1980, unless sufficient funds are made available to carry out such amendments before such date, in which event the effective date shall be the first date on which such funds become available for such purpose (as determined by the Administrator of Veterans' Affairs).".

UP AMENDMENT NO. 1547

Mr. Pressler. Mr. President, I have an amendment which I send to the desk.

The Acting President pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

"The Senator from South Dakota (Mr. Pressler) proposes to an unprinted amendment numbered 1547, to amendment numbered 1906."

The amendment is as follows:

On page 1, line 8, strike out "Sec. 1001" and insert in lieu thereof "Sec. 301."

On page 2, below line 2, in the item relating to section 2112, strike out the period at the end of such item and insert in lieu thereof a semicolon and the following: "issuance of voucher.".

On page 8, line 15, insert; issuance of voucher" after "approval".

On page 8, line 16, insert "(a)" before "An".

On page 9, between lines 5 and 6, insert the following new subsection:

"(b) Upon approval of the application of a veteran for a program of career development and advancement of career development and training, the Administrator shall issue such veteran a voucher certifying such veteran's eligibility for such program and the amount of the entitlement under such program. The voucher issued to any veteran under this subsection shall be in such form as may be necessary to enable the veteran to whom it is issued to market the career development and advancement or career development and training program to potential employers and to develop initial employment, advancement, and training opportunities for the veteran.

On page 15, between lines 14 and 15, insert the following new subsection:

"(c) Payment of a career development and advancement allowance or a career development and training allowance shall be paid to an eligible employer on behalf of an eligible veteran at the end of each ninety-day period of employment or training satisfactorily completed by such veteran.

On page 29, after line 23, add the following new section:

Sec. 302. (a) The Secretary of Labor may transfer, to the extent authorized in appropriation Acts, to the Administrator of Veterans' Affairs funds available to carry out the Help Through Industry Retraining and Employment (HIRE) program during fiscal year 1981 for the purpose of carrying out during such fiscal year the career development and advancement and career development and training programs provided for under chapter 45 of title 38, United States Code, as added by section 301 of this Act.

(b) The Secretary of Labor may also transfer to the Administrator of Veterans' Affairs in any fiscal year such amounts from funds appropriated to the Department of Labor to carry out employment and training programs as the Secretary of Labor considers necessary or appropriate to carry out the programs provided for under chapter 45 of title 38, United States Code, as added by section 301 of this Act, or such amounts from such funds for such purpose as may be specified from time to time in appropriation Acts.

On page 32, line 3, strike out "Affairs)." and insert in lieu thereof "Affairs).'.".

On page 32, strike out lines 4 through 10.

Mr. Pressler. Mr. President, I ask that the amendment (UP No. 1547), being a modification of amendment No. 1906, be agreed to.

The Presiding Officer. The question is on agreeing to the amendment.

The amendment (UP No. 1547) was agreed to.

The Presiding Officer. The question is on agreeing to amendment No. 1906, as modified.

AMENDMENT NO. 1906, AS MODIFIED

Mr. Pressler. Mr. President, I have a number of remarks to make in regard to this amendment. I would like to cover the recent changes made in the amendment.

The first change involves the cost. Originally, we had intended to fund our amendment by deferring the cost-of-living increase in the GI bill benefits. However, the Senate Veterans' Affairs Committee included such a delay in the reconciliation bill as a cost savings measure. As a result, this technical amendment will provide the authority for the Secretary of Labor to transfer unspent HIRE funds to the Veterans' Administration for the purpose of paying for the 1981 costs. This money would otherwise revert back to the Treasury at the end of this fiscal year.

The second change is only a technical change which will make the program more workable.

Most of the Members of this body are familiar with the provisions of this amendment. Senator Heinz and I offered similar amendments when S. 780, the GI Bill Amendments Act of 1979, was debated here in January of this year. At this time on behalf of its 12 cosponsors, I would like to bring this amendment up for consideration again.

The career development, advancement and training program amendment would permit disabled and Vietnam theater veterans to use their earned readjustment entitlement to provide direct financial incentives to employers to hire, train, and advance them in permanent and productive private sector careers.

We bring this amendment before the Senate again for three reasons:

First, members of the Senate Veterans' Affairs Committee had expressed concern that hearings had not been held on this amendment. Since that time, hearings have been held. Testimony at the hearings brought out a clear need for a career development advancement and training program.

Second, this amendment is an improved version of the amendments that were offered in January to the GI bill amendments of 1979. The revised amendment includes technical corrections, additional safeguards, and legislative clarifications sought by the VA.

The third and most important reason, however, is the unemployment rate. In January, Vietnam veterans faced an unemployment rate of 5.7 percent. Today, they face an unemployment rate of 7.1 percent. This factor alone provides the need for the passage of our amendment. Had it not been for their service to and sacrifice for their country in Vietnam, many of these unemployed veterans would have the seniority and the skills to retain employment in our present troubled economy. The fact that they are so sensitive, as a group, to the pressures of the economy shows that, for the most part, too many are employed in short term, dead-end jobs. This makes them prime targets for being layed off when a recession strikes.

Mr. President, let me put this third point in perspective. Historically, veterans have enjoyed an unemployment rate much lower than that of the general populace. They are generally in good physical shape, as they must pass a comprehensive physical examination in order to be in the service. The unique nature of the Vietnam war and its veterans has reversed this trend, however. Today, Vietnam veterans face an unemployment rate of 7.1 percent while nonveterans of the same age group are unemployed at a rate of 6.4 percent. In the past year alone, the unemployment rate for Vietnam veterans has doubled.

This can lead us to only one conclusion: Too many Vietnam veterans are employed in short term dead-end jobs. When the economy suffers, these veterans are the first ones to lose their jobs. Passage of our amendment would allow these veterans to establish meaningful careers. The Vietnam veterans career development advancement and training program would allow veterans to use their earned GI bill entitlement to reimburse employers who provide them with substantive career opportunities.

To date, the employment programs that Congress has provided the Vietnam veteran have been ineffectual, short-term welfare programs such as CETA. As a veteran who served in the military in Vietnam, I find it appalling that we offer our veterans temporary, social welfare employment programs. The unique nature of the problems faced by Vietnam veterans demands a program able to deal with the problems. Our amendment would do that. By allowing the veteran to use GI bill entitlement to provide training and employment in a substantive career, this program adapts itself to the special needs of the individual veteran, especially those that have fallen outside of the scope of past programs. Our amendment authorizes the same level of funding for employer reimbursement as is presently offered to veterans using the GI bill for educational purposes.

The career development, advancement and training program will cost approximately $3,000 per veteran. This is far less than the cost of institutional training under the GI bill which is $10,000 per veteran or CETA Public Service Employment, which is $7,800.

So I think the cost effectiveness of this program is well established.

The 1981 cost of our amendment is $19.3 million. The total 5-year cost is $2.46.6 million. Both of these are estimates made by the Congressional Budget Office on July 15 of this year.

Mr. President, I am very aware, as a member of the Senate Budget Committee, of the limitations imposed upon veterans programs by the budget resolution. We had intended to fund our amendment by deferring the cost-of-living increase in GI bill benefits. However, the Senate Veterans' Affairs Committee included such a delay in the reconciliation bill as a cost-saving measure.

As a result, our amendment will provide the authority for the Secretary of Labor to transfer unspent HIRE funds to the Veterans' Administration for the purpose of paying for the 1981 costs. This money would otherwise revert back to the Treasury on October 1, 1980. Congress appropriated HIRE funds in 1977 for a private sector on-the-job training program, which is what the career development program is.

No money whatsoever will be taken away from a service-connected disabled veteran or a survivor of one who died of service-connected disabilities, and no money will be taken away from a GI bill recipient. In fact, veterans will be given a new opportunity for a meaningful readjustment program at no first-year cost to the VA.

In order to participate in the Vietnam veterans career development, advancement, and training program, employers must agree that the employment will continue once the funding has ended. Because the program is designed to provide a meaningful, long-term career opportunity, it removes the structural inadequacies in past training and educational programs: The career continues after the Government funding expires. It allows Vietnam veterans who choose not to use their earned GI bill entitlement for educational purposes to provide themselves with a readjustment tool. It offers businessmen an incentive to hire Vietnam veterans. This lack of incentive has been the downfall of past employment programs. In testimony before the House Veterans' Affairs Committee in 1979, the Veterans' Administration endorsed the concept of employer subsidies as a means of providing incentives. They said:

"A very significant factor in the low usage rates for job training programs has been employer resistance. The typical employer, when asked to participate in the VA's job training program is inclined to ask, 'What's in it for me?' Although our outreach personnel can point out the advantages to the employer, such as maturity and reliability of the veterans, the lack of tangible benefits to the employer has been a major deterrent to greater use of the job training program.

"To counteract this tendency on the part of employers, we recommend that in the case of vocational rehabilitation trainees, consideration be given to providing a direct financial incentive in individual instances to the employer-trainer in the form of a subsidy. This subsidy would help cover the cost of training."

In recent testimony before the House Veteran's Affairs Subcommittee on Education, Training, and Employment, Dennis R. Wyant, Deputy Assistant Secretary of Labor for Veterans' Employment, said:

"The Department of Labor is willing to coordinate with the VA to help develop regulations authorizing payment to employers for on-the-job training in individual instances when the Administrator determines such payment is necessary to obtain the training or to begin employment. In the labor market of recent years, the VA's on-the-job training programs have suffered from a lack of employer incentive. By comparison, reimbursements to employers for the cost of training have been a feature of many of the Department of Labor's on-the-job training programs for a number of years."

This is exactly what the career development, advancement, and training program does. It provides a direct financial incentive in individual instances to the employer/trainer in the form of a subsidy. The subsidy would help cover the cost of training. It would provide the incentive necessary for this program to work.

Payment under the career development program would be authorized after the veteran has been in his or her job and/or training for 90 days. Payment then can be made only for employment and training completed and only after both the veteran and employer sign separate certificates that the employment and training was actually completed.

The program utilizes almost entirely existing delivery systems and approval mechanisms and thus would not require expanding the bureaucracy or increasing Government regulations.

This amendment is strongly supported by Vietnam Veterans of America.

In both this instance and January when this amendment was before the Senate, the Vietnam Veterans of America have supported this legislation strongly. It is one of the cornerstones of their legislative package. We sincerely appreciate their support.

Mr. President, it is past the time when we should make an objective assessment of our debt to Vietnam veterans. The Vietnam war ended over 7 years ago. We committed 8 million of our young people to a war that was unpopular by all standards. When the war was over, Americans attempted to remove all reminders of a conflict that had no resolution. Because few people wanted to talk about Vietnam, few wanted to talk with its veterans. When the country ignores problems, so does Congress. A recent study done by Louis Harris and Associates, Inc. for the Veterans Administration entitled, "Myths and Realities: A Study of Attitudes Toward Vietnam Era Veterans" shows that the American people are ready to deal with the continuing problems of Vietnam veterans. In chapter 10, page 243, the study states:

"Vietnam Era Veterans, particularly those who are under 35 and who served in combat, feel that certain obligations to them have not been met by the country they served. Most feel that they have received the same benefits as veterans of World War II and Korea. They also feel, however, that they have suffered more serious problems than those faced by veterans of earlier wars. Hence, a majority of Vietnam Era Veterans feel that they, as a group, have not received all the benefits they deserved. Moreover, nearly three-quarters of VEV's feel that the federal government should be doing more for veterans of the Vietnam era.

"The American public agrees with these veterans of the Vietnam era. A two-thirds majority of the public feel that the federal government should do more to help the Vietnam Era Veteran."

The most severe problem confronting today's Vietnam disabled and theater veteran is unemployment and underemployment. The country is ready to deal with those problems. Congress must also do so.

In summary, this amendment is directed toward the theater veterans of Vietnam and disabled veterans. Preliminary studies indicate that the greatest employment need is with those veterans who actually served in the Vietnam theater. This also reduces the cost considerably.

Earlier this year, I had an amendment which provided that the statistics on employment and education be broken out separately for Vietnam theater veterans as opposed to Vietnam era veterans. Most of the psychological damage was suffered by those who actually served in Vietnam, as opposed to those who served in the military during the Vietnam era. This amendment, to meet some of the requirements and to meet the greatest need, is limited to those Vietnam era veterans who served in the theater.

Since World War II, our main emphasis in veteran programs has been educational in nature. However, many of those veterans who actually served in Vietnam have not chosen to go on to college and have not used their GI benefits. They also have not chosen to go on to vocational school.

Part of the reason is a result of the draft at the time. The draft and the system we had of bringing people into the Vietnam war was such that those with the lowest educational backgrounds and the lowest income ended up serving in Vietnam.

Indeed, as I have stated in the past on the Senate floor, if we have a draft in the future, I hope it is not as unfair as that draft.

As one who served in the Army in Vietnam during the conflict, I saw firsthand that most of the persons who ended up serving in Vietnam came from our lowest socio-economic groups and from our lowest educational achievement groups. The result has been that they have not responded to the educational programs in the GI bill.

That is why an amendment such as this is necessary. It allows those who wish to work to have on-the-job training in a very positive program—training that will increase their skills in a vocational sense and will result in greater productivity.

The Congressional Budget Office did a study earlier this year, which I understand may be referred to on the floor, in which they established that there was evidence that those who served in the theater had no greater needs.

I dispute that, I have asked the various governmental agencies to break out the figures, and it will be very easy to do—it will not cost much at all—on a computer and find out for sure if the theater veterans did suffer greater psychological damage.

All related studies have shown that fact to be true. The recent Harris study showed that.

I have written to the agencies responsible for accumulating labor data and they have written back saying that they do not wish to break it out at this point. That is very much taking the line of the old-line veterans organizations which incidentally are not opposing this amendment.

But let me say that I think it is time that we recognize that those who served in the Vietnam theater have a unique situation because of the attitudes they ran into when they came back to the United States.

It is a war of which they are not proud and of which our society is not proud. World War II soldiers are very proud of their service.

Also, I think, that even in conversations that I have had about service in Vietnam, people think that a veteran did something wrong, that he did not respond properly if he served in Vietnam. It is not a war that our country is proud of and the people who served in it are sort of, in an intellectual fashion, brow-beaten on a daily basis by any mention of their service and what their activities may have been in Vietnam.

I also might say we have continuing problems with matters such as agent orange. I am also cosponsoring an amendment dealing with this dioxin which I feel very strongly about. Our Government and the bureaucracy and indeed some of the traditional veterans organizations have been resisting some of the progress that we should be making in areas such as these.

But this career development amendment is a very cost-effective amendment. In the first year it would use funds that already exist. It would actually increase taxes paid by increasing the training levels and the skills of many of our veterans, and it one of the more positive programs that I think we have to offer the Vietnam veterans.

Mr. President, I ask that my colleagues give this amendment their favorable consideration. I have circulated to every office a statement on its cost and a statement of its purpose. I thank the Vietnam Veterans of America and other organizations who helped in contacting various Senators' offices on this issue.

Mr. President, I wish to reserve the remainder of my time for a rebuttal if there are speeches against this amendment. I am concluded in presenting the amendment at this time, and I wish to reserve the remainder of my time.

Mr. President, how much time do I have remaining?

The **Presiding Officer** (Mr. Levin). The Senator has 27 minutes remaining.

Mr. **Cranston**. Mr. President, I yield such time as may be required to my distinguished colleague from Wyoming.

Mr. **Simpson**. Mr. President, I express my appreciation to Senator Cranston again. I enjoy my working relationship with him and with members of his fine staff.

I rise in objection to the amendment of Senator Pressler. I do that reluctantly, but after very careful consideration of the amendment I can only conclude that it is crafted, I think, on some inaccurate assumptions and, if enacted, I think it could be subject to widespread abuse. In the final analysis, I think it would be far too expensive when it is weighed against the benefits to be gained.

Vietnam veterans do, indeed, suffer perhaps higher than average unemployment rates. Yet the Congressional Budget Office in a recent study concludes that these unemployment rates are not indicative of the true portrayal. Indeed, this CBO analysis finds that if other factors, such as educational levels, race, and age are controlled in the equation these veterans of the Vietnam era enjoy a better rate of employability than do similarly situated nonveterans.

Therefore, I think it is inappropriate to assume that the Vietnam-era veterans suffer a disproportionate level of unemployment for reason alone of their military service.

It is, therefore, difficult to justify this amendment as a readjustment effort, especially when we consider that the veteran achieves a level and a quality of employment higher than that of a similarly situated nonveteran.

That is not to imply, Mr. President, that I am resisting initiatives which are designed to enhance the employability of Vietnam-era veterans. Indeed, there are programs within CETA and targeted jobs tax credit provisions which are specifically designed to afford the Vietnam-era veteran enhanced employment opportunities, and there are many others also.

Many of the existing programs are quite workable and have proven to be so and will, I think, for the indefinite future continue to provide the means necessary to assist the Vietnam-era veteran who is seeking employment.

The proposed amendment will in large measure be, I think, very duplicative of those efforts and far, far more costly.

Let me share with my colleagues a very interesting article from the Stars and Stripes which I recall I used to read when I was laboring in Germany in 1955 and 1956 near the end of the Army of Occupation. This is a report of the remarks of Max Cleland, the head of our Veterans' Administration, before the American Legion Convention in Boston. This is a quote of Thursday, August 21, 1980, in the Stars and Stripes of Darmstadt, Germany:

> Vietnam veterans are taking better advantage of more benefits than did their World War II counterparts, the head of the Veterans Administration told the American Legion convention Tuesday.
>
> "The current GI Bill for Vietnam veterans has been the most successful, by any standard," said Max Cleland, who lost both legs and an arm while serving in the Army in Vietnam.
>
> Cleland said some 65 percent of eligible Vietnam-era veterans have participated in the GI Bill program, compared to 50 percent of those who saw duty during World War II.
>
> "The 4.5 million Vietnam-era veterans who have trained at the college level exceed by more than one million the combined total of 3.4 million World War II and Korean conflict veterans who trained at the college level," he said.
>
> Cleland's appearance before the 62d annual American Legion convention. . .

The synthesis of these comments is that the VA has undertaken all manner of programs to aid Vietnam veterans, to include the pending legislation which will create a 2-year delimiting date extension on GI bill benefits for the educationally disadvantaged.

There have been numerous legislative accomplishments on behalf of the Vietnam veterans, and I see my good colleague from South Dakota with slight trace of smile crossing his face as he has heard this from me before. We should not say, even in a moment of emotionalism, that we are doing very little for the Vietnam-era veteran. That is just not the case.

I could describe a litany of programs that have been presented to this Congress and passed in the past 10 years that provide a level of assistance and support to the Vietnam veteran that far exceeds that provided to any other veteran of any war in our Nation's history.

If there is one group of veterans that has not been properly taken care of, then certainly it is the World War I veteran.

I ask unanimous consent to have printed in the Record the legislative accomplishments of the past 10 years on behalf of Vietnam-era veterans.

There being no objection, the material was ordered to be printed in the Record, as follows:

LEGISLATIVE ACCOMPLISHMENTS ON BEHALF OF VIETNAM-ERA VETERANS

Beginning 10 years ago the Veterans' Affairs Committee of the Senate conducted an extensive congressional investigation into the adequacy of VA medical care for veterans wounded in Vietnam to explore the special problems confronting the VA in caring for veterans of the Vietnam conflict. These hearings led to dramatic improvements in VA hospital staffing, facilities, and services. Since 1970, six new VA hospitals have been built; the staff-patient ratio has been increased from 157 FTEE's to 100 patients in 1974, 50 more than 200 FTEE's to each 100 patients; the health-care staff has been increased by 50,000 since 1970; the number of outpatient clinics has been increased from 209 to 219 in the last 5 years; and special pay for physicians and dentists was authorized in 1975 to improve the retention and recruitment of these health-care professionals.

Also, in 1970, the Veterans' Affairs Committee of the Senate reported the Veteran's Education and Training Amendments Act of 1970 (Public Law 92-219). This legislation included provisions to:

First. Increase rates of GI bill benefits by 34.6 percent. During the first year after this rate increase took effect, there was a 56-percent increase in GI bill participation.

Second. Establish a program of "special assistance for the educationally disadvantaged" under which veterans without high school diplomas or in need of refresher or remedial courses could—without charge to entitlement—use GI bill benefits for pursuit of appropriate programs or education. Since this program was established, more than 407,000 veterans have received benefits under it.

Third. Establish a program for tutorial assistance under the GI bill. Almost 200,000 veterans have used tutorial assistance—receiving $17.7 million in benefits—through this program.

Fourth. Establish the "predischarge education program" to provide an opportunity for service personnel to pursue high school, remedial, or refresher courses—while on active duty. More than 304,000 Vietnam-era personnel participated in this program.

Fifth. Provide for a greatly expanded "veterans' outreach service program" designed to search out recently discharged veterans, to advise them of benefits, and to assist them in obtaining them. Since enactment of this expanded authority, the VA has communicated with over 6.2 million Vietnam-era veterans shortly after release from service, established 72 "one-stop" USVAC centers to provide complete benefit information and assistance to veterans, conducted job interviewing classes for those needing guidance in order to obtain meaningful employment, and provided veterans in rural areas with service by use of mobile vans.

At the same time, the Veterans' Affairs Committee of the Senate supported an increase of rates of service-connected compensation—which raised the rate of compensation for "total disability" by 12.5 percent (Public Law 91-376). Since that time, nine additional rate increases have been approved.

In 1970, the Veterans' Affairs Committee of the Senate reported the Veterans' Housing Act of 1970 (Public Law 91-507) which provided for VA loan guarantees for veterans who wish to purchase mobile homes. From the inception of the mobile home loan program, the VA has guaranteed 33,684 loans. It is estimated that over 60 percent of these loans—totaling almost $396 million—were made to Vietnam-era veterans.

In 1971, the Labor and Human Resources Committee of the Senate reported the Emergency Employment Act of 1971 (Public Law 92-54) to require that veterans who served in the Indo-China area be given special consideration in filling public employment program (PEP) jobs. Under this authority, such veterans constituted 13 percent of all participants.

In 1972, the Senate passed the veterans' cost-of-instruction (VCI) program legislation as part of this Education Act Amendments of 1972 (Public Law 92-318). This authority was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish special programs and services necessary to assist GI bill veteran-students in readjusting to an academic environment and to reach out to surrounding communities to get more veterans back to school under the GI bill, with special emphasis on educationally disadvantaged veterans.

Also in 1972, the Senate passed the Veterans' Compensation and Relief Act of 1972 (Public Law 92-328), which included provisions to provide an annual clothing allowance for service-connected disabled veterans whose prosthetic devices or wheelchairs tend to tear or wear out their clothing.

In 1972, the Veterans' Affairs Committee of the Senate reported the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540). This legislation included provisions to:

First. Increase GI bill benefits by 25.7 percent and increase assistance rates for VA apprenticeship and OJT programs by 48 percent.

Second. Provide for advance payment of GI bill benefits at the start of a school term.

Third. Establish the VA work-study program for veterans attending school under the GI bill. An average of 50,000 GI bill students have benefited annually from participation in this program receiving about $20 million each year in assistance.

Fourth. Set up the VA education loan program as a means of supplementary assistance. Since its inception, 65,761 loans have been made under this authority, totaling $63.9 million.

Fifth. Revised chapter 41 of title 38 setting forth the basic veterans employment responsibilities of the Department of Labor as administered by the Veterans Employment Service, stressing the needs of recently separated veterans.

Sixth. Add a new chapter 42 to title 38 to require Federal contractors to give emphasis to employment of Vietnam-era and disabled veterans and provide for mandatory listing of job openings with local employment service officers and priority in referrals to disabled and Vietnam-era veterans. This requirement has led to the employment of more than 540,000 disabled and Vietnam-era veterans.

In 1973, the Senate passed Senate Concurrent Resolution 51, to express the gratitude of the Congress to the Vietnam veteran for his efforts to make it possible for our Nation to observe Veterans' Day, 1973, in peace, and to commend the Vietnam veteran for his valor, courage, loyalty, and devotion to duty as an American serviceman.

In 1973, the Comprehensive Employment and Training Act of 1973 (CETA) (Public Law 93-203), was drafted to require CETA prime sponsors to give special consideration to certain unemployed veterans in filling public service employment jobs. Almost 2 million Vietnam-era veterans have been served by CETA programs since 1973.

In 1974, the Veterans' Affairs Committee of the Senate reported legislation, ultimately enacted as Public Law 93-337, to extend the delimiting period under the current GI bill from 8 years to 10 years. It is estimated that this extension has benefited more than 2 million veterans.

In 1974, the Senate passed the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93-567) which among other things provided for the conduct, by the Secretary of Labor, of a special outreach and public information program to promote maximum effort to produce job and job training opportunities for Vietnam-era veterans.

In 1974, the Veterans' Affairs Committee of the Senate reported the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (enacted as Public Law 93-508). This measure included provisions to:

First. Increase rates of GI bill benefits by 25.7 percent. During the first year after this rate increase took effect, there was a 25-percent increase in the GI bill participation.

Second. Add an additional 9 months of GI bill entitlement for a total of 45 months of maximum entitlement to be earned by a veteran.

Third. Authorize refresher training under the GI bill.

Fourth. Establish the veteran representative on campus (Vet-Rep) program. Under this program more than 1,327 "Vet-Reps" were assigned to 3,320 colleges across the Nation to assist veterans in obtaining GI bill benefits.

Fifth. Require the Secretary of Labor to establish definitive standards for determining compliance with the employment assistance programs mandated by chapter 41.

Sixth. Strengthen chapter 42 to require Federal contractors to take affirmative action to employ Vietnam-era and disabled veterans.

Seventh. Establish the authority for veterans' readjustment appointment (VRA) under which certain disabled and Vietnam-era veterans could receive noncompetitive appointments (up to a GS-5) in the Federal civil service. Since its inception, more than 125,000 veterans appointments have been made throughout the Federal Government.

Eighth. Extend the protections of veterans reemployment rights to persons who prior to military service had been employed by State or local governments and otherwise improve the veterans reemployment rights program.

In 1974, the Veterans' Affairs Committee of the Senate reported the Disabled Veterans' and Servicemen's Automobile and Adaptive Equipment Amendments of 1974 (Public Law 93-538) to liberalize equality requirements for Vietnam-era service-connected disabled veterans to receive automobile assistance grants, to increase the grant by 17.8 percent, to add the provision of adaptive equipment to this benefit as well as driver training in the use of the adaptive equipment, to require the promulgation of quality and safety standards for adaptive equipment, and specifically to authorize research relating to improvements in such adaptive equipment.

In 1975, the Veterans' Affairs Committee of the Senate reported legislation (Public Law 94-482) to extend for 3 years the authority for the VCI program, require increased emphasis on educationally disadvantaged veterans, and provide for offsetting the impact of the May 31, 1976, GI bill delimiting date in the formula for determining which colleges were eligible for and the size of their grants.

In 1976, the Veterans' Affairs Committee of the Senate reported the Veteran's Education and Employment Assistance Act of 1976 (Public Law 94-502). This legislation provided an 8.0 percent increase in GI bill benefits and contained provisions to: First, repeal the restriction on graduate study during the last 9 months of a veteran's entitlement; second, increase the maximum amount of a VA education loan; and third, establish a Deputy Assistant Secretary of Labor for Veterans' employment issues.

In 1977, the Veterans' Affairs Committee of the Senate reported the GI Bill Improvement Act of 1977 (Public Law 95-202). This measure included provisions to:

First. Increase by 6.6 percent the rates of GI bill benefits.

Second. Extend the delimiting period during which a veteran or eligible spouse may use GI bill benefits when the veteran has a mental or physical disability which prevents initiating or completing a course of study. More than 2,700 veterans have received extensions of their delimiting period as a result of this provision.

Third. Extend for 2 additional years the period of time a veteran is able to receive direct education loans when enrolled full time at the time the delimiting period expires. More than 1,400 veterans have received $1.5 million in assistance under this authority.

Fourth. Require more extensive VA educational and vocational counseling and outreach services.

Fifth. Provide for a Federal-State matching program of accelerated tuition assistance for veterans enrolled in high-cost institutions of higher learning. To date, Louisiana has enacted legislation to establish a mechanism for participating in this program.

Sixth. Require the VA to conduct a study into the extent to which Vitenam-era veterans use GI bill entitlements, complete programs of education under the GI bill, and achieve job satisfaction and readjustment.

In 1978, the Veterans' Affairs Committee of the Senate reported the Veterans' Housing Benefits Act of 1978 (Public Law 95-476). This legislation included provisions to:

First. Increase from $25,000 to $30,000 the maximum amount of grants for specially adapted housing to assist severely disabled veterans. Because of the proportionately greater number of Vitenam-era veterans who have suffered the severe disability requirement for eligibility for specially adapted housing, this increase is particularly beneficial to veterans of that era.

Second. Extend entitlements to VA home, condominiums, and mobile home loan guarantees and loans to additional Vietnam-era veterans by reducing from 161 days to 90 days the length of service requirement.

In 1978, the Veterans' Affairs Committee of the Senate reported the VA Programs Extension Act of 1978 (Public Law 95-520). This measure included provisions to:

First. Extend for 3 years (until September 30, 1981) the VRA appointments authority and expand the VRA program by removing all limitations based on the date of the veteran's discharge, raising the maximum civil service grade appointment from GS-5 to GS-7, and making any service-connected disabled veterans rated at 10 percent or more eligible for an appointment regardless of years of education completed.

Second. Give service-connected disabled veterans the right to file with the Veterans Employment Service in the Department of Labor a complaint that he or she has been discriminated against because of handicap by a Federal contractor.

In 1978, the Senate passed the Comprehensive Employment and Training Act Amendments of 1978 (Public Law 95-524) which included provisions to:

First. Require that, with respect to public service jobs, prime sponsors give special consideration to disabled and Vietnam-era veterans (with special emphasis on Vietnam theatre veterans).

Second. Require the Secretary to take appropriate steps to provide for increased participation of disabled and Vietnam-era veterans (with special emphasis on theatre veterans) in all CETA jobs and job training opportunities.

Third. Promote maximum arrangements by CETA prime sponsors for utilization of apprenticeship and other OJT opportunities available under the GI bill.

Fourth. Require the Secretary of Labor to coordinate with the Administrator of Veterans' Affairs in carrying out all of the Department's responsibilities with respect to veterans under CETA.

Fifth. Add veterans' organization representatives as permanent members of local, State and national planning councils. As of October 1, 1979, 385 prime sponsors had veterans' representatives serving on their planning councils.

Sixth. Include as a special Federal responsibility of the Secretary the conduct of the veterans' outreach and public information program enacted by Public Law 94-567.

In 1978, the Senate passed the Revenue Act of 1978 (Public Law 95-600) which included provisions to authorize the targeted jobs tax credit program designed to promote increased employment of seven "target groups" including low-income Vietnam-era veterans under 35 years of age and disabled veterans participating in vocational rehabilitation programs. The program was implemented in May 1979, and, as of July 31, 1979, 3,152 Vitenam-era veterans have been certified as eligible for the credit and 880 have been employed.

Last year, the Veterans' Affairs Committee of the Senate reported the Veterans' Health Care Amendments of 1979, signed into law as Public Law 96-22 on June 13, 1979. This measure contains a number of important new VA health-care programs. Most directly targeted to Vitenam-era veterans is the readjustment counseling program, under which the VA is finally authorized to provide readjustment counseling for those Veitnam-era veterans who have not made a successful transition from their military service to civilian life.

The agency is establishing 85 store-front facilities across the country, staffed by outreach teams that will go into the community to locate and assist Vietnam-era veterans. The emphasis of the program will be on peer counseling in a nonformal setting so as to encourage the participation of those veterans distrustful of normal VA and other governmental efforts. It is estimated that 1,970,000 Vietnam-era veterans will participate in this program in the first 2 years.

Three other improvements in VA's health-care programs enacted in Public Law 96-222 will also benefit Vietnam-era veterans; new authority for the VA to enter into contracts with halfway houses and other community facilities for the treatment of veterans suffering from alcohol and drug abuse dependencies; authority for the VA to provide preventive health-care services for veterans with service-connected disabilities rated at 50 percent or greater and veterans receiving care for service-connected disabilities; and extension of dental care benefits to all veterans with 100-percent service-connected disabilities and to those who were prisoners of war for at least 6 months.

In this year, the Senate Veterans' Affairs Committee has reported legislation that improves provisions of the GI Bill and provides for a much needed cost of living increase. Additionally, the Committee has reported out legislation that streamlines and much improves the vocational rehabilitation available to our service-disabled veterans. We have also reported legislation revising the incentive pay system for VA physicians and dentists in order to attract and retain quality health care professionals in the VA hospital system. And of course as we do each year, we have adjusted the rates of compensation for the service-disabled to compensate for the rate of inflation over the past twelve months.

Anyone who claims that the Congress had not afforded the Vietnam-era veteran consideration above and beyond that provided to the veterans of earlier conflicts is obviously misinformed or for his own reasons chooses to ignore the legislative accomplishments of the past decade.

Mr. SIMPSON. Mr. President, the Senator from South Dakota also asserts that the necessary safeguards have been incorporated into this amendment in order to alleviate the very real problem of abuse. But as far as I am able to determine in my review of it, there is very little in that amendment that would prevent an unscrupulous employer or unscrupulous veterans from thoroughly gimmicking the system, and that causes me a great deal of concern.

Employer's can and will raise a veteran's salary or afford unemployed veterans an employment opportunity to only lay off the veteran when his eligibility under the program terminates, and I see no effective way of preventing such abuse.

The necessary bureaucratic safeguards against such widespread abuse would be both inappropriate and prohibitively expensive. I can not envision how the Congress could craft the kind of safeguards to control the abuse which, I think, could and would take place.

I think it is not beyond reason to expect that 50 percent of the costs of this amendment could easily be absorbed by the abuses and the efforts to combat those abuses that would naturally follow. We know that has happened when we have used this on previous occasions, in an employer-employee relationship where we paid the employer to hire the employee.

You may be assured that there will always be abuses in that type of intrusion into the normal marketing and social system of employer-employee relationships.

Mr. President, the Senator from South Dakota has also indicated that we can find the necessary funding for the program in certain unobligated accounts within the Department of Labor. That causes me to prick up my ears a bit. I have never found in my time in Washington a Federal bureaucracy worth its salt that would ever have unobligated funding available in the amounts that would be required by this program.

That is just not going to happen. I do readily admit that the VA could administratively delay the implementation of this program and, thereby, perhaps control first-year costs. But I doubt that even then the necessary moneys could be found to effect even a minimum first year effort. I am absolutely convinced, Mr. President, that funding beyond the first year would be tremendously expensive and would require the very drastic alteration of other benefit programs in order to keep this one program alive.

Mr. President, I must respectfully request that my colleagues reject this proposal of the very able Senator from South Dakota.

At this time I yield to my colleague from Oklahoma.

Mr. PRESSLER. Mr. President, will the Senator yield for two or three questions?

Mr. SIMPSON. I yield for a question to the Senator from South Dakota on his time.

Mr. PRESSLER. Fine.

The Senator said the study by the Congressional Budget Office offered some conclusions. Did those carrying out the study have the statistics to delineate between theater and era veterans, which our amendment does?

Mr. Simpson. Would the Senator please restate his question?

Mr. Pressler. Yes. The Senator said a study by CBO, in his remarks, was involved. As far as we can tell those who carried out that study did not have statistics to delineate between theater and era Vietnam veterans. This amendment is limited to theater veterans.

Our contention has been that the greatest psychological damage and the greatest problems exist among theater veterans. Indeed the various statistics prove that. As far as we can tell, CBO did not have statistics to back up their rather sweeping statement. Is the Senator aware of any statistics and could he produce them?

Mr. Simpson. I can share with the Senator from South Dakota that in the study it was the statistics of the use of resources that 85 percent of those in the study are theater veterans of Vietnam.

Mr. Pressler. Yes. But as far as employment problems are concerned, did the CBO have statistics distinguishing theater veterans from era veterans?

Mr. Simpson. Not specifically, but the age groups of veterans studied had a high proportion of individuals with Vietnam theater service, approximately 55 percent of those in the study population. I also believe, if I correctly recall, that the Senator proposed amendments to legislation requiring the study of the problems of Vietnam-era veterans that would require separate statistical analysis of Vietnam theater veterans.

Mr. Pressler. That is correct.

First of all, we have a copy of the study here, and I do not want to spend a lot of time on this, and perhaps our staffs can work this out here, but we cannot find that 85-percent figure. We have the study here. Also I have been trying to make a point of it, and it is still grinding through the legislation, to have the agencies distinguished in terms of employment and need between those theater veterans as compared to era veterans, and that is what this amendment is directed to.

Many of the fine remarks by my colleague from Wyoming were directed in general to Vietnam-era veterans. This amendment focuses down on those with the sharpest problems, those who are theater veterans, who were, first of all, almost selected from the lowest economic and educational classes in America to go into the theater, and since then have suffered the greatest psychological problems.

We are searching here through this study which the Senator has cited, and which I believe will be cited by my friend from Oklahoma, but we cannot find, at least maybe the staff can show us, where that 85-percent figure comes from.

Mr. Simpson. Mr. President, we will certainly provide that information for the Senator, and on reflection I believe that the figure is probably too high. I will provide you the figure, if one can be accurately determined, at the earliest opportunity. Both I and Senator Cranston will also be pressing for a study which will investigate the specific problems of theater veterans in any general study with regard to Vietnam-era veterans.

I am one of those—and I speak only for myself in this instance—and I made these comments at the national convention of VFW in Chicago several days ago—who considers appropriate a more specific targeting of benefits for veterans than we have done in the past, and that distinctions may well be warranted in awarding benefits to theater veterans versus era veterans.

There may not be others who share that view, but to me that becomes important that we begin to assess the needs of different groups of veterans, separately. Granted there are those who, through no fault of their own and without the ability to control it, served only within the United States or served only in an administrative capacity versus those who served in combat areas and in combat duties. I can assure the Senator that I will personally join him in calling for the necessary studies to address the differences in needs and circumstance between theater and non-theater veterans.

Mr. Pressler. We have the study over here, and perhaps our staffs can get together. We cannot find the 85-percent figure that the committee has repeatedly referred to.

Mr. Simpson. I have been informed, Mr. President, that the age groups used in the study had as high as an 85-percent composition of theather veterans but the Senator may be assured that I will check that figure closely since it seems inordinately high.

Mr. Bellmon. Mr. President, will the Senator yield?

Mr. Simpson. Mr. President, I yield to the Senator from Oklahoma (Mr. Bellmon).

Mr. Bellmon. Five minutes.

Mr. Simpson. I yield 5 minutes.

Mr. Bellmon. Mr. President, first, I would like to commend the distinguished floor manager and the ranking member of the Veterans' Affairs Committee for the fine job they have done over the years in looking at the needs of American veterans.

I also appreciate the interest the distinguished Senator from South Dakota has in the Vietnam-era veteran, and I readily accept the fact that there are special problems that Vietnam veterans have been faced with that were not necessarily faced by veterans of other wars, although I think it is a mistake to feel that those of us who served in World War II all came back as conquering heroes and had no problems to face. I think any veteran has a certain period of adjustment to go through.

While the Vietnam veterans' problems may have been somewhat more severe, they are certainly not totally different from those that have been faced by veterans throughout our history.

Mr. President, as much as I appreciate the good intentions of the Senator from South Dakota and Senator Heinz, I feel that the amendment should be defeated. I would like to give some reasons for my conclusions.

In the first place, this amendment would establish two career development and advancement programs for Vietnam-era veterans, and both of them, Mr. President, would be entitlements. It is the entitlements programs that are causing us to have such an enormous problem in managing the fiscal affairs of this Nation.

The first program that this amendment would establish would permit such veterans to use their GI bill entitlements to subsidize up to one-third of their wages in public or private sector employment. The second program would permit such veterans to use their GI bill entitlements to reimburse public or private sectors employers for training costs and to subsidize a portion of their wages. Under the proposed program, GI bill entitlements could only be used for a maximum period of 18 months, but there is also the possibility, of course, that that could be extended. I understand and commend my colleagues' efforts to ease the problems of Vietnam-era veterans because they, as I have said, do have difficulties sometimes in adjusting to civilian life.

The impression, Mr. President, that has been given by numerous reports in the press is that many Vietnam-era veterans are unable to readjust to civilian life. I do not accept that impression totally. In particular, many difficulties cited are in the area of employment and career development. Combat veterans especially are often described as having the worst problems in getting and keeping jobs.

However, the fact is that the Federal Government has provided a number of ways to help veterans resume their civilian careers. These include the GI bill which provides both institutional and on-the-job training, rehiring rights to jobs previously held, additional points on civil service exams and subsidies to employers who hire veterans under certain circumstances.

Mr. President, Congress in the Revenue Act of 1978 created a targeted jobs tax credit to offer businesses of any size the incentive in the form of tax credits to hire hard-to-employ individuals. The Pressler-Heinz amendment would largely duplicate that program. Economically disadvantaged Vietnam veterans under the age of 35 are one of the targeted categories eligible for this program. Businesses can qualify for a tax credit of up to 50 percent of the first year's wages (up to $6,000) and 25 percent of the second year's wages (up to $6,000) for each eligible employee hired. So that is a program that is very closely paralleled to the program that would be established by the Pressler-Heinz amendment.

Analysis performed by CBO does not corroborate the assumption that those who are veterans are subject to either low earnings or to higher unemployment. Variation in the proportion of persons with low income and variation in unemployment rates are generally correlated with education, age, and race, but not with whether one is a veteran. There are two exceptions to this. First, young veterans have a higher unemployment rate than nonveterans of similar age. This probably results from the short period since discharge which they have had time to look for work. Second, there is some indication that veterans who served in combat have psychological problems that may or may not turn into employment related problems. Again, however, no definitive statisical evidence demonstrated that career adjustment was impeded by military service in Vietnam.

The Presiding Officer. The Senator's 5 minutes have expired.

Mr. Bellmon. Mr. President, could I have an additional 2 minutes?

Mr. Simpson. Mr. President, I yield such time as the Senator from Oklahoma may require.

Mr. Bellmon. I thank my friend from Wyoming.

Mr. President, statistical evidence from a recent CBO study memorandum (dated June 4, 1980) indicates that in general Vietnam-era veterans do as well in career readjustment as their nonveteran counterparts. A comparison of median personal income—and I have it as part of my statement in table 1—shows that their incomes are well above those of comparable nonveterans within each relevant age group. Although there are not quite so many college graduates among veterans as nonvet-

erans, a far greater percentage are high school graduates than nonveterans and a slightly greater percentage have at least some higher education (table 2). Finally, overall unemployment statistics show very little difference between veterans and nonveterans (see table 3). Comparisons in tables 1-3 are made for males only, because nearly all (99 percent) Vietnam-era veterans are male. I believe this CBO study documents the success of our earlier efforts to ease the readjustment problems of Vietnam-era veterans.

Furthermore, the Pressler-Heinz amendment is bad from a budget standpoint. It creates an entitlement program which will preclude congressional control of spending through the appropriations process. In other words, the amendment would commit the Federal Government to pay the bill, no matter how much the costs grow in the future. CBO's current estimate is that the amendment would cost $20 million in fiscal year 1981, $99 million in fiscal year 1982, and $76 million in fiscal year 1983. These are sizable amounts, but we cannot be at all certain that the costs will not be considerably higher. The experience generally with entitlements programs is that the costs wind up much higher than anyone anticipates. We can be certain, if we adopt this amendment, that we are making an open-ended commitment which we will have to pay the cost of later on.

Mr. President, because of the fact that this amendment duplicates existing programs and because it is an entitlements program with a very high cost both now and in future years, I urge that the amendment be rejected.

Mr. President, I ask unanimous consent that the tables referred to be printed in the Record.

There being no objection, the tables were ordered to be printed in the Record, as follows:

TABLE 1.—COMPARISON OF VETERANS' AND NONVETERANS' MEDIAN PERSONAL INCOMES, BY AGE GROUP

[In dollars, 1977]

Age group	Veterans	Nonveterans
20 to 24	6,750	5,860
25 to 29	11,380	10,810
30 to 34	14,470	13,780
35 to 39	16,680	15,290

Source: Veterans' Administration, "Educational and Income Characteristics of Veterans," Reports and Statistics Service, Office of the Controller (March 1978).

TABLE 2.—COMPARISON OF VETERANS' AND NONVETERANS' EDUCATION LEVELS, BY AGE GROUP[1]

[In percent, March 1978]

Education level	Veterans	Nonveterans
Less than high school	8.1	21.2
High school diploma	38.5	28.5
Some college	32.0	20.4
College diploma	21.3	29.9

[1] Excludes those still in school.

Source: Current Population Survey for March 1978.

TABLE 3.—COMPARISON OF THE UNEMPLOYMENT RATES OF VETERANS AND NONVETERANS, AGED 25 to 39

[In percent, August 1979]

	Veterans	Nonveterans
July 1978	3.9	3.4
July 1979	3.5	3.7

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Employment and Earnings" vol. 26, No. 8 (August 1979).

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The Presiding Officer. Who yields time?

Mr. Pressler. Mr. President, how much time do I have remaining? I would like to have about 2 or 3 minutes at the end.

The Presiding Officer. The Senator has 22 minutes remaining.

Mr. Heinz. Mr. President, will the Senator yield me 10 minutes?

Mr. Pressler. Mr. President, I yield 10 minutes to the Senator from Pennsylvania.

Mr. Heinz. I thank my colleague from South Dakota for yielding.

Mr. President, I rise in support of the Pressler amendment. It is manifest to me that, notwithstanding the objections of the committee to this amendment, the merits of the case clearly rest with Senator Pressler and this amendment.

Mr. President, let me simply cite two statistics that should be of great concern to every single one of our colleagues. We should look, I think, at the most vulnerable group of Vietnam-era veterans, and that is the group of somewhat younger veterans, about 2 million in number, age 25 to 29, a group of veterans who are at a critical period of their development, both as individuals and as wage earners.

What do we find when we look at that very significant group among Vietnam-era veterans? We find that they have an unemployment rate better than 50 percent higher than their nonveteran counterpart.

In July of this year, their nonveteran counterpart had an 8.2-percent unemployment rate. The Vietnam-era veterans, some 2 million of them in that age group of 25 to 29, suffered a 12.4-percent unemployment rate.

If you look a little deeper into the numbers for that same group, you find that among the employed veterans, only one-third of that group, 33 percent, are in the white collar jobs; whereas, some 46 percent of their nonveteran counterparts in that same age group—and, again, we are talking in comparison about some 2 million Vietnam-era veterans—46 percent of the nonveterans have white collar jobs.

Mr. President, why is that significant? It is significant because these are jobs with a future. If you can make it into that wonderful category of professional, technical, managerial, administrative, sales, and clerical workers, you have likely entered into one of the industries of the future, one of the jobs of the future. Your earnings potential in the future will be substantially enhanced because of the laws of labor supply and demand.

And yet our Vietnam-era veterans in the age group I mentioned, 25 through 29, some 2 million of them, have a 50-percent higher chance of simply not being in that class of opportunity.

I want to remind everyone that we are talking about a large class of people here because of the shortcomings in the statistics of Vietnam-era veterans. Were we to look at the people who simply served in Vietnam, the theater veterans, we would find, if we had those statistics in detail before us, much more grievous horror stories.

It is no secret that their unemployment problems, whether it is underemployment or unemployment directly, are far, far worse than the Vietnam veterans as a whole.

That, of course, is what the amendment of Senator Pressler is targeted on. It is targeted on the disabled veterans, the theater veterans, and especially on those 40 percent of the theater veterans who are still, 10 years after in many cases, experiencing serious readjustment problems.

I believe the Senator's amendment is terribly important, and it is very carefully and correctly drawn.

There are some who have argued that this career development advancement training program would be subject to some abuses. I strongly disagree with that contention. This amendment is structured upon existing laws and regulations to preclude abuse and to insure ease of implementation. I must say that it bothers me somewhat that the people who take this point of view are essentially suggesting that Vietnam veterans are likely to go around the corner in some way and cheat the taxpayers in some way. I disagree with that entirely.

I think the Senator from South Dakota put it extremely well in some recent remarks. I will quote from his remarks:

"I am expecially concerned about this example because it casts unwarranted, negative images on the character, motivation and integrity of Vietnam veterans. Just because a veteran is unemployed or underemployed and seeking to further his career does not motivate him to abuse his benefits. Just the contrary is true. These veterans are seeking a worthwhile place in the labor force."

Mr. President, he is right. We are talking about veterans who want to be a part of our society. They are a group who did a very difficult thing. They went and fought and gave of themselves in a tremendously controversial and, to many, unpopular war. It is some measure of their patriotism, dedication, and commitment to this country that notwithstanding all those difficulties they did their duty. I hope nobody will cast aspersions upon them.

Mr. President, nobody has been able to substantiate a case for abuse of taxpayer dollars in the case of this amendment. The career development advancement and training program's approval and safeguard provisions are drawn entirely from existing VA practices, regarding on-the-job training. In fact, they are tighter than existing laws. No payments would be authorized to be made under our amendment until the veteran has been in his or her job and/or training for 90 days. Payment could then be made only for completed employment and training, and only after both the veteran and the employer sign separate certificates that the employment and training was actually completed. The program utilizes almost entirely existing delivery systems and approval mechanisms and thus would not require an expanded bureaucracy or increase Government regulations.

I might add that the Veterans' Administration has had employment monitoring experience with the OJT programs. The veteran would be a principal monitor of his own program. A veteran would not authorize payment of his benefits to an employer if he were not satisfied with the job or the training.

Employers would also be making a great investment in the veteran, so it would be in their self-interest to see that the veteran is a well-trained and productive employee.

For these reasons, Mr. President, I find the arguments of those who claim that there may be some potential for abuse frankly misleading, inaccurate, and without any merit whatsoever.

Mr. President, how much time remains to me?

The Presiding Officer. The Senator has 15 seconds left of the 10 minutes yielded to him.

Mr. Heinz. Will the Senator yield 2 additional minutes?

Mr. Pressler. I yield 2 additional minutes.

Mr. Heinz. I thank my colleague.

Mr. President, we have been working very hard for literally months if not years to try to get a program that is more responsive to the needs of our Vietnam era, and particularly our Vietnam theater, veterans with respect to their job opportunities.

On several occasions, at least three on this floor, we have argued back and forth about whether or not Vietnam veterans are underemployed.

I know they are underemployed. In my State of Pennsylvania, in order to try to do something in anticipation of Vietnam Veterans' Week in May a year ago, I wrote to 5,000 employers in the State of Pennsylvania and said, "Look, we are not getting anywhere in the Congress. They have turned a blind eye to the Vietnam veteran. Let us do something about it ourselves by our own bootstraps."

Those 5,000 Pennsylvania employers wrote back and said, "Here are 5,000 job slots that we promise, and if you will simply send veterans to those 5,000 job slots we will give them jobs." So we arranged this through the State bureau of employment security, helping the State to set up a Vietnam veterans employment program.

As of today, over 4,000 Vietnam veterans have been successfully placed through that program. There was a need; there was a response; and there was success.

What people are telling us here today, Mr. President, is that there is no need to respond. Let me guarantee that if we do not respond, there will be no success, especially for our Vietnam veterans.

This amendment does a very simple thing. All it says is that the world is changing, that education, important as that is, may not be the very best way for somebody who is 28 or 32 or 35 to get ahead in the world. Maybe it is better for him to get some meaningful on-the-job training. Maybe the kind of education he needs is best found in the workplace. Maybe it is best for that particular veteran not to quit what he is doing and go to school for 4 years and lose whatever progress or momentum he has had in his occupation field or career. That is precisely what we who offer this amendment seek to accommodate: the different needs of a different era of veterans at a different time—now.

I do not believe that confining ourselves to a narrow educational approach is what is required. Those other approaches that people cite—the hire program, the large number (an excessively large number, I might add) of so-called OJT programs—the very fact that we have so many of those programs should tell us one thing: That they are not working. And we need something, Mr. President, that will work.

I urge my colleagues to support this amendment.

Mr. Pressler. Mr. President, how much time do I have remaining?

The Presiding Officer. The Senator has 7½ minutes remaining.

Mr. Simpson. What was the review of the time, Mr. President?

The **Presiding Officer**. The Senator from South Dakota has 7½ minutes remaining; the Senator from Wyoming has 25 minutes remaining.

Mr. **Simpson**. Mr. President, let me first ask a question, if I may, of Senator Heinz, then yield to Senator Stafford for his remarks.

The Senator from Pennsylvania has based the premise of his remark upon employment statistics which involve the present age groups of 25- to 29-year-old veterans. I believe that we must agree that, although the Vietnam era did not officially end until 1975, the vast majority of all of the troops in Vietnam were withdrawn from 1969 through 1972. I think, consequently, it is unlikely that a very significant percentage of veterans now aged from 25 to 29 ever served in Vietnam. I ask if those statistics could be provided. It need not be at this time. I would certainly appreciate that.

Mr. **Heinz**. I should be pleased to provide these statistics to the Senator and for the Record.

Mr. President, I ask unanimous consent that these statistics and the citations for them be printed in the Record at the appropriate place.

There being no objection, the material was ordered to be printed in the Record, as follows:

TABLE A.—JULY 1980: EMPLOYMENT STATUS OF VIETNAM ERA VETERANS

1. Number of Unemployed Vietnam Era Veterans

Age	Total Viet vet population (thousands)	Viet vets unemployed (thousands)	Percent unemployed
20 to 24	548	55	17.3
25 to 29	1,945	200	12.4
30 to 34	3,613	207	5.9
35 to 39	1,582	94	4.8
Over 40	863	25	2.9
Total	8,541	581	7.1

TABLE B.—COMPARISON BETWEEN VETERAN AND NONVETERAN UNEMPLOYMENT RATES

Age	July 1980	June 1980	July 1979
1. Unemployment rates (percent):			
Vietnam era veterans:			
20 to 24	17.3	13.7	11.6
25 to 29	12.4	11.1	5.1
30 to 34	5.9	5.4	3.0
35 to 39	4.8	4.9	2.5
Over 40	2.9	3.3	2.1
Total	7.1	6.5	3.5
Nonveterans:			
20 to 24	NA	NA	NA
25 to 29	8.2	7.9	4.1
30 to 34	5.9	5.4	3.6
35 to 39	3.8	3.7	3.1
Over 40	NA	NA	NA
Total	6.4	6.2	3.7

	June 1980 to July 1980		July 1979 to July 1980	
	Veterans	Nonveterans	Veterans	Nonveterans
2. Percent change in unemployment:				
20 to 24	26.3	NA	49.1	NA
25 to 29	11.7	3.8	143.1	100.0
30 to 34	9.2	9.3	96.7	63.9

	June 1980 to July 1980		July 1979 to July 1980	
	Veterans	Nonveterans	Veterans	Nonveterans
35 to 39	−2.0	2.7	91.0	22.6
Over 40	−12.1	NA	38.1	NA
Total	9.2	3.2	102.9	73.0

TABLE C.—EMPLOYED MALE VIETNAM ERA VETERANS AND NONVETERANS, BY AGE, RACE, OCCUPATION, AND INDUSTRY, 1978 ANNUAL AVERAGES

[Percent distribution]

Occupation and industry group	Total, 20 to 34 yr	20 to 24 yr	25 to 29 yr	30 to 34 yr	Black and other, 20 to 34 yr
VETERANS					
Total employed (thousands)	5,858	592	2,100	3,166	527
White-collar workers (in percentages)	[3] 38.7	[3] 20.4	[3] 33.0	45.9	29.2
Professional and technical	14.8	5.7	11.9	18.4	9.5
Managers and administrators	11.6	4.1	9.0	14.7	6.1
Salesworkers	5.3	3.7	4.9	5.9	2.7
Clerical workers	6.9	6.9	7.2	6.8	11.0
NONVETERANS					
Total employed (thousands)	15,744	6,567	5,490	3,687	1,773
White-collar workers (in percentages)	[3] 39.8	[3] 29.3	[3] 45.7	49.7	30.0
Professional and technical	17.0	10.0	20.7	23.8	12.4
Managers and administrators	10.3	5.8	12.1	15.5	5.6
Salesworkers	6.0	5.8	6.3	5.9	3.3
Clerical workers	6.6	7.7	6.5	4.6	8.4

[1] Results taken from charts presented by John F. Stinson, Jr. and entered into the Record, Jan. 23, 1980, at S. 236.

[2] It should be noted that the total figures are not very different, however.

[3] The amendment addresses the large disparity between these age groups.

TABLE D.—UNEMPLOYED MALE VIETNAM ERA VETERANS AND NONVETERANS AGE 20 TO 34 YR, BY REASON FOR UNEMPLOYMENT AND DURATION OF UNEMPLOYMENT, 1978 ANNUAL AVERAGE[1]

[Percent distribution]

Reason and duration	Total		20 to 24 yr		25 to 29 yr		30 to 34 yr	
	Veterans	Nonveterans	Veterans	Nonveterans	Veterans	Nonveterans	Veterans	Nonveterans
REASON								
Total unemployed (thousands)	314	1,033	80	619	133	280	101	134
Job losers	62.2	57.5	56.3	52.0	63.2	64.6	65.7	67.9
On layoffs	[2] 20.6	15.0	15.0	13.4	20.3	17.1	25.5	17.9
Other job losers	41.8	42.4	41.3	38.6	42.9	47.5	40.2	50.0
Reentrants	[2] 16.9	20.4	17.5	23.9	17.3	16.1	15.7	13.4
Job leavers	17.5	17.3	17.5	17.6	18.0	17.1	17.6	16.4
DURATION								
Total unemployed (thousands)	314	1,033	80	619	133	280	101	134
Less than 5 weeks	37.8	41.8	43.8	43.0	34.6	40.5	37.3	36.8
5 to 14 weeks	[2] 34.9	[2] 32.3	33.8	33.0	39.1	30.8	30.4	32.3
15 weeks and over	27.3	26.1	22.5	23.9	26.3	28.7	32.4	30.8

[1] Results taken from table 5, as presented by John F. Stinson, Jr. and entered into the Record.

[2] Significant differences between veteran and nonveteran results.

Mr. Pressler. Mr President, on my time, may I respond to that question?

Mr. Simpson. I would appreciate that, Mr. President.

Mr. **Pressler.** We have some statistics we would like to supply. Indeed, the Senator from Wyoming based his earlier remarks on a CBO study which we questioned one part of. Did I not understand the Senator from Wyoming to base his earlier arguments on the CBO study which, indeed, is based on that same group which the Senator seemed to question Senator Heinz' using—if, indeed, he did us it?

Mr. **Simpson.** Mr. President, I want to be sure that the remarks of the Senator from South Dakota are on his time and not that of the Senator from Wyoming.

Mr. **Pressler.** I requested that, Mr. President.

Are not the very same years—was not the CBO study based on those same years; therefore—I do not know if Senator Heinz' remarks were based on those years. Would that not disqualify the CBO study in the same manner?

Mr. **Simpson.** No, these are not the same figures. The CBO study concentrated on the veterans who served in the height of the conflict. They are not the same.

Mr. **Pressler.** The CBO study was of the age group 20 to 34, which encompasses the very same years from which the Senator has raised an objection to Senator Heinz using statistics.

Mr. **Heinz.** Mr. President, will the Senator from Wyoming yield on his time for a brief response to what I take to be the thrust of the Senator's point?

Mr. **Simpson.** I prefer not to. I have two more members of the minority who wish to speak on this issue.

Mr. **Heinz.** Well, I am frankly a little puzzled about the mathematics of my good friend from Wyoming. The fact is that the last American did not leave Vietnam until 1973. In 1972, we hand one heck of a lot of men still there; 1972 was 8 years ago. If we subtract 8 from 29, I get 21. Most of the young men who went there were drafted at age 18. I know; that is when I got my draft notice.

That gives a number of years to work with. It means that, in fact, we could have had a lot of people there in Vietnam, at a much earlier period that 1970 or 1971, who were 18 or 19. That was the age of the dogface, the private, the people just out of basic training that were sent to fill the gaps to fight that war. So I am not entirely sure what the Senator from Wyoming has in mind.

There are certainly many people in this age group who were in Vietnam, fought there. Some of them may not have returned, either. I am puzzled by his remark.

Mr. **Simpson.** Mr. President, let me state for the record that in 1972 in Vietnam, we had 100,000 soldiers at the most in that country, down from a figure of 500,000 in 1968, and that we stopped sending replacement troops in 1972 because the demand was down. I am simply stating that if we are using the 25- to 29-year-old veteran as typical of the Vietnam theater veteran we are not using the correct statistics.

In answer specifically to Senator Pressler's question, the statistics used in the CBO age group study that I remarked about are now 30 through 39 in age. That is the figure. I believe the Senator has a copy of the study.

I yield to Senator Stafford.

Mr. **Stafford.** Mr. President, with some reluctance, I have to rise in opposition to the amendment of my distinguished colleague (Mr. Pressler). I remind my colleagues, Mr. President, that the Senate has previously voted on a similar amendment to that being offered now by Senator Pressler when the Senate was considering the GI Bill Amendments of 1980, on January 23, 1980. At that time, unprinted amendment numbers 917 and 921 were offered by Senators Pressler and Heinz and the amendments were defeated by votes of 56 to 38 and 53 to 37, respectively. So we are, once again, considering adopting a new program that has previously this year been discussed on this floor and rejected by the Members of this body.

It should also be noted that the Committee on Veterans' Affairs of the House of Representatives has rejected the proposed program as included in the amendment now being considered.

The Pressler amendment would permit Vietnam-era veterans to utilize their GI bill educational entitlement to pay employers a "subsidy" to train them.

Under the career development and advancement program the subsidy could be part of the veteran's wages whereas under the training program the VA would pay the employer the cost of the training and subsidize up to 50 percent of the individual's training and wages. Payments would be made directly to the employer—not to the veteran. It is an objectionable feature of this amendment. It has great potential for abuse. Unless such a subsidy program is tightly controlled and closely watched with considerable governmental redtape, it will likely result in failure.

When our committee on Veterans' Affairs held hearings on the issue before us in March of this year, the Veterans' Administration said this and I emphasize that this is a quote from the Veterans' Administration and not the sentiment, necessarily, of this Senator from Vermont:

"Contrary to its expressed intention of addressing employment problems of Vietnam-era veterans, enactment of this measure would result in a vague, ill-defined program which would convert veterans educational entitlements into substantial employer subsidies at considerable cost to the taxpayer. These subsidies would be highly subject to abuse and there is no assurance that the Federal resources expended would be effectively directed to providing meaningful training and job training opportunities for those veterans who need them."

At the same hearing the Labor Department said:

"A job subsidy program for Vietnam-era veterans would be difficult to administer. Further it proposes to duplicate veterans assistance programs currently operated by DOL, by establishing a major new employment-related program within the Veterans' Administration."

On March 6, 1980, our Senate Committee on Veterans' Affairs heard testimony in support of a career development, advancement, and training program for certain disabled and Vietnam theater veterans. Senator Pressler testified in behalf of the proposed program, the concept included in the amendment we are now considering. Forrest Lindley, a Vietnam veteran with Stars and Stripes newspaper, also presented his views on readjustment and employment for Vietnam veterans and in behalf of S. 1872, Senator Pressler's bill.

On the other hand, the major veterans' organizations and the VA testified in opposition to the Pressler proposed career development, advancement, and training assistance program. The following quotes are some of those positions on the issue.

The Disabled American Veterans at the March 8 committee hearing said:

"[We] are opposed to the concept of 'paying' employers to hire veterans. Rather, Mr. Chairman, we believe that the Department of Labor should be expending its emphasis on enforcement of existing laws passed by Congress over the last several years—laws which are designed to enhance the employment opportunities of all veterans and which, if properly and aggressively implemented, could make a significant impact upon the high rate of unemployment among Vietnam era veterans.

"The very idea that we should have to pay employers to hire those who served our country during a period of armed conflict is extremely distasteful to the Disabled American Veterans."

The American Legion said on March 6:

"[We] are quite concerned with the specific guidelines under which this program would operate in that there is a general lack of substantive controls to ensure accountability and preclude fraud and abuse on the part of the veterans and/or the employer. Without adequate controls built into such a program, we would question whether or not those veterans participating would, in fact, receive meaningful employment opportunities."

The Senate Veterans' Affairs Committee rejected the subsidy program—the proposal of the Pressler amendment. There is no enthusiasm from the 10 members of our committee for this program.

One of the reasons for rejection of the proposal within the committee is that there are a number of ongoing programs to meet the employment needs of veterans—especially Vietnam veterans.

First, the GI bill provides for a program of on job and apprentice training opportunities for eligible veterans. More than 500,000 Vietnam-era veterans have participated in this program. In fiscal year 1979, approximately 84,000 received benefits from this program.

Second, there are several programs available under Comprehensive Employment and Training Act (CETA) including help through the industry retaining and employment (HIRE) program. Under the law providing for this program, the Secretary of Labor is required to take special steps under CETA to maximize the opportunities for Vietnam-era veterans and disabled veterans in all programs conducted by prime sponsors such as job training, upgrading and retraining, public service employment, and private sector initiatives. About 3 million of these veterans have been served by this program.

Third, we have the targeted jobs tax credit program authorized in 1978. Employers receive a tax credit of up to $3,000 for hiring certain low-income Vietnam-era veterans. Senator Bellmon spoke of this tax credit a few minutes ago. He reminded us that it would be a duplication.

Fourth, the purpose of the bill we are considering—S. 1188—includes other positive assets in the area of employment and advancement of Vietnam-era veterans.

All in all, Congress has not been inactive in striving to meet the needs of Vietnam veterans. Senator Simpson has previously inserted a list of legislative accomplishments on behalf of Vietnam-era veterans.

Mr. President, I conclude by reminding my colleagues once again that the substance of the pending amendment has been rejected by this body this year, on January 23, by votes of 56 to 38 and 53 to 37.

So, Mr. President, it is with regret that I must urge my colleagues to vote against the Pressler amendment at this time.

Mr. President, I yield the floor to Senator Simpson.

(During the preceding remarks, Senator Bumpers assumed the chair.)

Mr. Simpson. Mr. President, I yield to the majority leader.

Mr. Robert C. Byrd. Mr. President, I ask unanimous consent that at the hour of 1 p.m. today, the vote occur on the amendment by Mr. Heinz, to be followed immediately by the vote on the amendment by Mr. Pressler, to be followed immediately, without further amendments, motions, or debate, by third reading, and then to be followed immediately, without further debate or motion, by final passage, with pararaph 4 of rule XII being waived, and with the additional proviso that the vote on the second and third matters, to wit, on the amendment by Mr. Pressler and on final passage, each be 10-minute rollcall votes.

The Presiding Officer. (Mr. Harry F. Byrd, Jr.). Without objection, it is so ordered.

Mr. Robert C. Byrd. Mr. President, I ask unanimous consent that it may be in order to order the yeas and nays now on these three votes by one show of seconds.

The Presiding Officer. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. Cranston. Mr. President, how much time remains on the Pressler amendment on my side?

The Presiding Officer. The Senator from California has 12 minutes remaining.

Mr. Cranston. Mr. President, I oppose the amendment offered by the junior Senator from South Dakota (Mr. Pressler), which would establish a veterans' career development, advancement, and training assistance program. Although I appreciate and share the concerns of the Senator which have prompted him once again to put his proposal before the Senate, I cannot support its adoption by the Senate.

Mr. President, Amendment No. 1906 would establish a "career development, advancement, and training program" for certain disabled and Vietnam-theater veterans. The amendment would provide financial incentives—essentially what amounts to wage subsidies—to employers to hire, train, or promote certain veterans. The thrust of this amendment is identical to the thrust of those—unprinted Nos. 917 and 921—offered by Senators Pressler and Heinz during the Senate's consideration in January of S. 870, the proposed GI bill amendments of 1980. Those amendments were defeated by votes of 56 to 38 and 53 to 37, respectively.

In essence, I oppose this amendment because I believe that funds for veteran's benefits should be used for direct payments to veterans not for incentive payments for private firms, and because I have grave reservations about whether this approach would really produce jobs for the veterans involved.

I believe, Mr. President, that it is most important to stress that the program proposed by the Senator is in reality a wage-subsidy type program. The proposal does provide for some rather standard safeguards to curb misuse, but the vast potential for rip-offs and abuses still is inherent in its structure. Historically, wage subsidy programs, unless very tightly structured and monitored—through a process which involves enormous amounts of redtape, Federal regulations, investigations, and Government intervention creating its own adminstrative monstrosity—result in situations where there is substitution, dead-end jobs, and exploitation of those who are intended to be helped by such programs.

Mr. President, how much time does the other side have remaining on this amendment?

The Presiding Officer. The Senator from South Dakota has 3 minutes remaining.

Mr. Cranston. I remind my colleagues of the years of experience we have had with employment and training programs conducted by the Department of Labor—first under the Manpower Development and Training Act of 1964 and then under CETA. As a long-time member of the Employment Subcommittee of the Labor and Human Resources Committee, I can personally attest to the hundreds of long hours and hard work that have gone into trying to design an "abuse-proof" program. Yet those efforts are undermined daily by reports of outrageous abuses and rip-offs, and the Department of Labor, an agency with extensive experience in administering job and job-training programs, spends millions of dollars and hundreds of employee hours in attempting to remedy these problems.

The program proposed by the Senator from South Dakota would establish this brand new, untested program in an agency with no such employment-monitoring experience in this area—the Veterans' Administration. In my opinion, this substantially compounds the potential for abuse and misuse.

Mr. President, since Senator PRESSLER first proposed this approach, we have taken a close look at it and received testimony on it. Here is what the VA said about it at hearings held by the Committee on Veterans' Affairs on March 4:

"Contrary to its expressed intention of addressing employment problems of Vietnam-era veterans, enactment of this measure would result in a vague, ill-defined program which would convert veteran educational entitlements into substantial employer subsidies at considerable cost to the taxpayer. These subsidies would be highly subject to abuse and there is no assurance that the Federal resources expended would be effectively directed to providing meaningful training and job training opportunities for those veterans who need them."

Here is what the Labor Department said about it:

"A subsidy program for Vietnam-era veterans would be difficult to administer. Further, it proposes to duplicate veterans assistance programs currently operated by D.O.L., by establishing a major new employment-related program within the Veterans' Administration."

Here is what the Disabled American Veterans said about the approach at hearings held by the House Veterans' Affairs Committee on March 6:

"We are opposed to the concept of 'paying' employers to hire veterans. Rather, Mr. Chairman, we believe that the Department of Labor should be expanding its emphasis on enforcement of existing laws passed by Congress over the last several years—laws which are designed to enhance the employment opportunities of all veterans and which, if properly and aggressively implemented, could make a significant impact upon the high rate of unemployment among Vietnam era veterans.

"The very idea that we should have to pay employers to hire those who served our country during a period of armed conflict is extremly distasteful to the Disabled American Veterans."

Here is what was said about the approach by the American Legion at the House Committee's March 6 hearing:

"We are quite concerned with the specific guidelines under which this program would operate in that there is a general lack of substantive controls to ensure accountability and preclude fraud and abuse on the part of the veteran and/or the employer. Without adequate controls built into such a program, we would question whether or not those veterans participating would, in fact, receive meaningful employment opportunities."

Finally, as Dr. Sar Levitan, the highly regarded and well-known labor market economist, testified at our Senate committee hearings:

"Neither the veterans' administration nor the labor department have the capability to monitor the employers who hire veterans, nor is it desirable to provide such a capability to the government agencies. In the absence of such an army of inspections, there is little assurance that the beneficiaries of the proposed program would be veterans, and the program may result in a bounty to employers."

Dr. Levitan went on to state that with respect to the approach taken by the Senator's amendment "the costs of monitoring the subsidized employers would be prohibitive and intolerable."

Mr. President, over the years, Congress and the Federal Government have developed, enacted, and implemented a myriad of programs designed to meet the employment needs of veterans.

The current GI bill—in section 1737 of title 38—provides for a program of apprenticeship and other on-job-training opportunities for eligible Vietnam-era veterans. In a 1978 study, the General Accounting Office found that this program had an outstanding record of success with almost 90 percent of those who participate in the program being placed in permanent jobs upon the completion of training.

Currently, under the VA-OJT program, a married veteran with two dependents may be paid by the VA a training assistance allowance of $226 a month for the first 6 months of apprenticeship or other on-job-training. This is in addition to the salary he or she would receive directly from the employer. Those OJT benefits are available for up to 2 years at a declining rate during the veteran's employment. Under the provisions of H.R. 5288 as passed by the Senate in January, the period of time in which Vietnam-era veterans have to participate in this program would be extended for 3 years. Also, under provisions contained in S. 1188 as reported, the criteria and approval process for VA-OJT slots would be streamlined and improved—resulting in increased participation in this valuable program.

Other provisions in S. 1188 as reported are designed to increase the VA's responsibility and effectiveness in employment-related areas. First, the measure would require the Administrator to take increased responsibility for active advocacy and promotion of effective implementation, enforcement, and application of all laws and regulations relating to employment, training, and other opportunities for veterans. It would also require the Administrator, in cooperation with the Secretary of Labor, to seek actively to promote the development and establishment of employment, training, and other employment-related opportunities for veterans. Finally, the Administrator, and the Secretary of Labor, would be charged with responsibility of promoting the development of VA-OJT opportunities for eligible veterans.

Cumulatively, through fiscal year 1979, nearly half a million Vietnam-era veterans have trained under the VA's OJT program. This year, it is estimated that more than 74,000 Vietnam-era veterans will receive OJT benefits under the current program. If the modifications I have noted are enacted, it is estimated that an additional 15,300 veterans would find employment through this program.

There is also the targeted jobs tax credit—TJTC—enacted in October 1978 in Public Law 95-600. Under this authority, employers may receive a tax-credit of up to $3,000 for hiring individuals who are members of certain mandated target groups, including low-income Vietnam-era veterans under 35 years of age. Since the enactment of this program, more than 10,500 Vietnam-era veterans have benefited from it. The removal of the age limitation applicable to this program—as proposed by S. 2838, which Senator Matsunaga and I introduced on June 17, would permit additional Vietnam-era veterans to be served by this initiative. That measure is now pending before the Finance Committee, and I hope action will be taken on it soon.

In addition, there is, of course, CETA. Under CETA, the Secretary of Labor is required to take special steps to maximize opportunities for Vietnam-era and disabled veterans in all programs conducted by prime sponsors, such as job-training, upgrading, and retraining, public service employment, and private sector initiatives. In addition, the Secretary is required to conduct a public information and outreach program to promote maximum job opportunities for veterans. Almost 3 million Vietnam-era veterans have been served by CETA since its enactment in 1973. An age limitation in CETA similar to that now applicable to TJTC, would be removed by my amendment No. 1964 to S. 2708 which I intrducted on August 5.

Further, Mr. President, under the authority in section 2012 of title 38, as it would be amended by H.R. 5288 as passed by the Senate in January, all eligible Vietnam-era veterans regardless of the length of time they have been out of service, would be covered for at least 2 years by the affirmative action and mandatory listing requirements imposed by law in connection with Federal contracts. Under those requirements, any firm with a contract with the Federal Government involving more than $10,000 must have an approved affirmative action plan for Vietnam-era veterans and disabled veterans and is required to list job openings with the local employment service which in turn is required to give eligible veterans priority in referral to jobs. Over 540,000 Vietnam-era veterans have found jobs as a result of this initiative.

Finally, Mr. President, there is the highly successful disabled veterans outreach program—D-VOP—conducted by the Department of Labor. Under the D-VOP program, nearly 1,500 disabled veterans are currently working in State and local employment security agencies and offices, providing employment assistance to disabled and Vietnam-era veterans through counseling, job development, and placement services. Since the inception of this program, D-VOP staff have contributed to the successful placement in jobs of more than 135,000 disabled Vietnam-era veterans.

Mr. President, S. 1188 as reported would establish, on a permanent basis, a program modeled on the D-VOP program—the veterans'employment and training outreach program—V-TOP. Under the committee bill, V-TOP would expand the current D-VOP initiative and increase the emphasis on job development and placement in the private sector—particularly in terms of small- and medium-sized employers.

Mr. President, throughout this session of the Congress, the Veterans' Affairs Committee has held a series of five hearings focusing on the continuing readjustment needs of Vietnam-era veterans. We have attempted to discover where we are and what still remains to be done in this area. Throughout these hearings the committee has received very compelling testimony to the effect that what is not needed is new programs and new initiatives. There are good and effective programs and laws already in existence. What is needed is forceful and vigorous implementation of those programs and laws.

Mr. President, let me stress that neither I nor my colleagues on the Veterans' Affairs Committee, nor many of the Members of this body who joined in defeating the very similar proposal made by the Senator in January, believe that enough has been done in the area of veterans' employment—particularly for younger veterans, disabled veterans, and minority group veterans. Certainly, there is no disputing the statistical evidence published monthly that shows unacceptably high rates of unemployment for certain categories of veterans.

The latest available labor force data indicate that the employment situation of male Vietnam-era veterans has deteriorated in recent months along with the rest of the population. However, the data show that for the most part, Vietnam-era veterans are fairing about as well as their nonveteran contemporaries.

In July, the number of unemployed Vietnam-era veterans totaled 581,000 and their unemployment rate was 7.1 percent, up from a year ago. However, the jobless rate for veterans in the 30 to 34 year age group, who comprise over 35 percent of all Vietnam-era veterans was 5.9 percent—the same as it was for nonveterans of the same age and 23 percent better than the unemployment rate generally.

In sum, the situation is not good, but much has been done and much more can be done under existing programs. I am continuing my efforts to seek effective implementation of current laws and ongoing initiatives designed to assist veterans. Evidence of my very deep concerns in this area are reflected in the many employment-related provisions of S. 1188 as reported as well as the provisions of the proposed GI Bill Amendments Act of 1980 passed by the Senate in January.

Mr. President, under the amount assigned for veterans' entitlement programs to the Senate Veterans' Affairs Committee in the first concurrent resolution on the budget for fiscal year 1981—amounts I believe are totally inadequate—the committee is working very hard to assure the enactment of important legislation designed to meet the very real needs of our Nation's veterans. As it stands now, however, there are barely sufficient funds available for the provision of a badly needed 10-percent cost-of-living increase in GI bill benefits—the first since 1977—and an appropriate cost-of-living increase in veterans' service-connected disability compensation, and the Senate has already unanimously voted, in approving by an 89 to 0 tally on June 30, title VIII of S. 2885, the proposed Reconciliation Act of 1980, to defer that GI bill increase until January 1981.

Mr. President, I should like now to respond to some of the remarks made by the junior Senator from South Dakota (Mr. Pressler) in the Congressional Record for August 21 and today. These remarks were made in response to my statement regarding the pending amendment in the Congressional Record of August 6.

First, I would challenge the Senator's assertion that this is the last opportunity we will have to provide for meaningful and productive rehabilitation and employment for Vietnam veterans. I have been working and fighting for initiatives designed to meet the needs of these very deserving veterans since I came to the Senate in 1969 and I will continue to do so. Much has been done, but clearly more remains to be done. I will urge the Senate to defeat the pending amendment, but I reject wholeheartedly the suggestion, Mr. President, that this amendment is any such last-ditch effort to assist those who served in our Nation's longest war. Indeed, I am working right now to get two provisions enacted to improve the CETA and targeted jobs tax credit provisions for Vietnam-era veterans.

Second, Mr. President, the Senator from South Dakota has stated that "no payments are authorized to be made under the career development program until the veteran has been in his or her job and/or training for 90 days." He seems to assert that this is one of the means by which abuses could be curbed and the needs of veterans further served. I am not sure what particular vulnerability to abuse such a 90-day provision might be intended to avoid. So far as I can see, such a lag in payments would serve only to frustrate employers and add no safeguards against abuse.

Third, the Senator has stated that "if anyone were to be cheated under the career development program it would be the employer." Mr. President, I think that is a fairly damaging admission with respect to the design of this provision. Frankly, I do not want to see any of the parties [illegible]sted—the veteran, the employer, or the taxpayer. It seems most unfair to me to suggest, as the Senator from South Dakota has suggested, that a small businessman or women who in good conscience hires and trains—at significant cost—an eligible Vietnam veteran, should then be denied reimbursement because the veteran feels he is not satisfied with the training or simply did not like the job. In such situations—if the veteran arbitrarily withholds certification of the training—the employer would be stuck with the cost of the training provided in good faith.

Quite frankly, Mr. President, I know of few businesses or employers who would participate in such programs if the full nature of the "risk" was made clear, and I assume no one would suggest we hide this risk.

Fourth, Senator Pressler has suggested that the recent survey by Louis Harris and Associates, entitled "Myths and Realities: A Study of Attitudes Toward Vietnam-era Veterans," reinforces his assumption that Vietnam veterans are experiencing severe unemployment and underemployment difficulties resulting solely from their military experience in Vietnam. I find no such data in that survey report.

Mr. President, there is no disputing the fact that unemployment rates among Vietnam-era veterans are unacceptable. However, the correlation between these indicators of labor market experience and military service is not firmly established. The Lou Harris survey tends to suggest that employers are favorably disposed to employing the Vietnam veteran. In particular, 60 percent of the employers surveyed responded that service in Vietnam helps an applicant's chances for employment. Only 1 percent said that service in Vietnam hurts an applicant's job chances. Seventy-two percent of the employers questioned had hired Vietnam-era veterans in the last 3 years. Of the 16 percent who had not hired Vietnam-era veterans during that period, 52 percent responded that the reason was that none had applied.

Fifth, the Senator stated that 2 years ago, the employment responsibility for veterans was passed from the Deputy Assistant Secretary of Labor for Veterans Employment to the White House Veterans' Federal Coordinating Committee, and that I now—by virtue of a provision for a targeted delimiting date extension in H.R. 5288 as passed the Senate in January—want to "put the burden on the VA."

Mr. President, first of all, as far as I am aware, veterans employment responsibility still rests where it belongs and has never left there—in the office of the Deputy Assistant Secretary of Labor for Veterans' Employment. Indeed, the same measure—the Senate-passed version of H.R. 5288—would elevate the Deputy Assistant Secretary to the assistant secretarial level so as to help further assure that veterans receive the priority and special consideration that Congress has mandated in so many employment programs.

Further, Mr. President, I am not suggesting that the VA usurp those responsibilities. On the contrary, it is the Senator from South Dakota who suggests this by proposing to shift employment responsibilities to the VA under his amendment to establish a wage-subsidy-type program in the VA.

Finally, Mr. President, there is the issue of cost. Senator Pressler has suggested his proposal is acceptable because he has "found" the money to fund it for fiscal year 1981. He would give the Secretary of Labor the authority to transfer unexpended veterans employment program funds to the VA for the purposes of funding a career development program.

Mr. President, there is only $30 million of unexpended funds and although it is enough to fund the first few months of a career development program—costing only $17.9 million in fiscal year 1981 because it is phased in slowly near the end of the fiscal year—I would ask where the second- and third-year costs—$182.8 million would come from. And I would question that the Secretary of Labor or OMB—or the appropriations committees in Congress—would agree to make such a transfer of funds to the VA for this type of discredited wage-subsidy program even if the authority to do so were provided. And if such a transfer is not made by the Secretary or is not approved by the appropriations committees, then the funding for this program would need to be found within the VA budget, and we would find this new program once again competing with funds reserved for veterans' compensation and GI bill benefits in fiscal year 1981, and in any event in fiscal year 1982-83.

Mr. President, the Senator has stressed the high rates of unemployment among Vietnam-era veterans, and on that point, we have no disagreement. However, let us examine for a moment exactly who would benefit from the career development program—other than the employer who receives a wage subsidy—and whether his proposal would have a substantial impact on these veterans' unemployment rates.

In assessing the cost of this proposal, Mr. President, CBO has estimated that of the more than 71,000 participants expected to take advantage of the program, only 7,800—or slightly more than 10 percent—would not have obtained jobs without the subsidy and only 4,000 of those would be collecting unemployment insurance prior to participation in the program.

Spending more than $200 million to provide jobs to just 4,000 veterans—a cost of $50,000 per veteran actually placed in a job he would otherwise not get—is a most cost-ineffective way of assisting those Vietnam veterans looking for work. It would have a very insubstantial effect on reducing unemployment.

Senator Heinz has stated that he contacted Pennsylvania employers and asked them to hire veterans in recognition of Vietnam Veterans Week and that as a result 4,000 Vietnam-era veterans were placed in jobs. No subsidy went to those employers. They hired those veterans without the Federal Government paying them to do so.

I congratulate the Senator on his highly effective, most economical outreach activities.

With respect to the concept of career advancement, I believe that the Senator's proposal would be very wasteful. What evidence is there that Vietnam veterans are not getting the promotions, raises, and advancements in their careers that they merit? Veterans make good employees, and employers know this. The recent Lou Harris survey illustrates this. If the veteran is deserving of an increase or promotion, what evidence is there that he will not receive one? If they are receiving them as a matter of course and justice from their employers, why should the Federal Government now start to underwrite them? On the other hand, if they are not earning them on the basis of their job performances, why should the Federal Government "bribe" employers to give them raises, and why should the Federal Government pay for raises for employees who have not earned them?

Mr. President, I must contradict the Senator from South Dakota with respect to the position of the veterans organizations on his amendment. The American Legion, the Veterans of Foreign Wars, the Disabled American Veterans are all opposed to the approach in the Senator's amendment and all are working against it. So is the Non Commissioned Officers Association. I had printed in the Record letters in opposition to the amendment from the DAV and VFW on August 6. I wish now to have printed in the Record a similar letter from the NCOA at this point and ask unanimous consent to do so.

There being no objection, the letter was ordered to be printed in the Record, as follows:

September 3, 1980.

Dear Senator: Tomorrow, you will be asked to vote on S. 1188, the "Disabled Veterans Rehabilitation Act of 1980," and Mr. Pressler's amendment No. 1906. The amendment seeks the establishment of a "career development, advancement and training program."

The more than 211,000 members of the Non Commissioned Officers Association of the USA (NCOA) strongly opposes passage of amendment No. 1906.

NCOA believes greater emphasis should be placed on making existing veteran training and employment programs work to their potential. There are a number of programs within the Department of Labor, the nation's employment agency, that can fill the employment placement needs of veterans. Among them are the Help Through Industry Retraining (HIRE) and Targeted Jobs Tax Credit (TJTC) programs. Both offer financial incentives to employers who hire veterans.

We believe it is shameful for government to have to entice employers into hiring veterans by providing financial incentives. Nevertheless, we are willing to support such a program if it is administered and funded by the Labor Department.

Herein lies the greatest fault with Amendment No. 1906. It seeks to create a new program, administered and funded by the Veterans Administration, yet providing direct payments to employers. We believe that such a program is not needed but should be a function of the Labor Department if it is created.

Senator Cranston has articulated his opposition to Amendment No. 1906 very well in his Congressional Record remarks of August 6, 1980. We agree with the Chairman and have included his remarks for your use.

While you and I may agree that Mr. Pressler's goal is a laudible one, I urge you to vote "No" on amendment No. 1906.

Thank you for your kind attention to this issue.

Sincerely,

Richard W. Johnson, Jr.,
Assistant Director for Legislation.

Mr. Cranston. Mr. President, as I noted, the Senate rejected this approach twice in January and should do likewise now, I strongly urge the Senate to defeat the amendment.

The Presiding Officer. All time of the Senator from California has expired. The Senator from South Dakota has 3 minutes remaining.

Mr. Pressler. Mr. President, to bring this debate to a conclusion, let me again say that this program is directed and targeted to those veterans who served in the Vietnam theater, and it is a program that would respond to the greatest needs and to the group that has the greatest needs.

Although we have had some disagreement here which still exists about numbers from the CBO study, we have a copy of the study here. It reads as follows:

"Analysis performed by CBO does not corroborate the assumption that those who are veterans are subject to either low earnings or to unemployment . . . There are two exceptions to this. One, young veterans have a higher unemployment rate than nonveterans of similar age . . . Two, there is some indication that veterans who served in combat have psychological problems that may or may not turn into employment-related problems. Again, however, no definite statistical evidence demonstrated that career adjustment was impeded by military service in Vietnam."

Mr. President, the study says that analysis performed by CBO does not show that veterans are subject to unemployment. In July of this year, a month after this study was published, the unemployment rate for Vietnam veterans was 7.1 percent, double that of a year ago. This compares with 6.4 percent for nonveterans in the same age group. As I stated earlier, had it not been for their service to and sacrifice for their country in Vietnam, many of these unemployed veterans would have the seniority and the skills to retain employment in our present troubled economy. The fact that they are so sensitive, as a group, to the pressures of the economy shows that, for the most part, too many are employed in short-term, dead-end jobs. This makes them prime targets for being laid off when a recession strikes.

The study also states that "there is some indication that veterans who served in combat have psychgological problems that may or may not turn into employment related problems." Mr. President, although "definite statistical evidence" does not exist, experts over the years have determined that combat experience has a definite effect on readjustment. This finding was reinforced by the recent study done by Louis Harris on Vietnam veterans. Our amendment is specifically targeted to help the combat veteran.

It is also targeted to assist the disabled veteran. In recent testimony before the House Veterans' Affairs Subcommittee on Education, Training, and Employment, Dennis R. Wyant, Deputy Assistant Secretary of Labor for Veterans' Employment stated the following:

"While we do not have data on employment and unemployment or disabled veterans, employment service indicators continue to show evidence of their severe problems in finding employment."

To reinforce the scope and severity of the unemployment problem, I would like to read you statistics from the recent VA commissioned Harris study of attitudes toward Vietnam era veterans. When asked, "As of today, what would you say are the two or three serious problems, if any, facing veterans who actually served in Vietnam?" employment problems were cited by 48 percent of Vietnam veterans and 49 percent of Vietnam-era veterans. The Harris study was based on statistical evidence while the CBO study was based on "analysis performed by CBO" and admittedly not on statistical evidence. I ask my colleagues to weigh their merits accordingly.

Hearings before the Senate and House Veterans' Affairs Committees brought out the need for career development. Existing programs are fragmented, uncoordinated, and largely irrelevant to the employment and training needs of the Vietnam veteran. Only one in five unemployed veterans qualifies for existing programs such as CETA and targeted tax credit. The HIRE program will end in October. Career development is not so much a new program but rather a workable codification and improvement of existing program. It combines the employer incentives offered by the HIRE programs with the training opportunities offered by the VA on-the-job training program.

Mr. President, Vietnam Veterans of America, in a recent letter to each Member of the Senate, put the entire question in perspective very well. A portion of the letter reads as follows:

"The proposed amendment seeks, simply, to give Vietnam veterans the same break we give nonveterans. Its first year's cost is only $19 million.

"In a sense, such a limited goal hardly seems debatable. But yet, the amendment will surely be hotly debated. And that goes directly to the second need for the program. The country—not just the Vietnam veteran—needs this program.

"The very fabric of our national defense is woven in a bond between the government and its citizens. Those who serve their country are, in turn, served by it. A country that abandons that bond endangers its military manpower policy.

"The spectacle of a government that after nearly a decade still needs to fight over $19 million to address the sky-rocketing unemployment among the veterans of our last war is not the drama we should be enacting before the 19 and 20 year olds we are now asking to serve . . ."

Vietnam veterans overwhelmingly feel that the greatest problem facing them today, is employment. The American public, as the Harris study showed, feels that more should be done to help the Vietnam veteran. The passage of our career development program would enable us to carry out the wishes of the American people while also dealing with the employment problems of Vietnam veterans.

I urge my colleagues to give this amendment their favorable consideration.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

UP AMENDMENT NO. 1548

(Purpose: To motify the Post-Vietnam Era Veterans' Educational Assistance Program, to modify the termination date of the current GI Bill, to facilitate VA debt-collection efforts, to clarify the Veterans' Administration's authority to recover certain health-care costs, and for other purposes)

Mr. Cranston. Mr. President, on behalf of the Committee on Veterans' Affairs and joined in by our distinguised ranking minority member, I send to the desk an amendment and ask for its immediate consideration.

Mr. Presiding Officer. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

"The Senator from California (Mr. Cranston) for himself and Mr. Simpson, proposes an unprinted amendment numbered 1548."

Mr. Cranston. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The Presiding Officer. Without objection, it is so ordered.

The amendment is as follows:

On page 71, between lines 3 and 4, insert the following:

Sec. 213. Section 1622 is amended by—

(1) amending subsection (a) by—

(A) striking out in the first sentence "Each" and inserting in lieu thereof "Except as provided in subsections (c) and (d) of this section, each"; and

(B) striking out in the second sentence "$50" and "$75" and inserting lieu thereof "$25" and "$100", respectively;

(2) inserting after "Forces" in subsection (c) a comma and "including contributions in lieu of, or to reduce the amount of, monthly deductions under subsection (a) of this section"; and

(3) adding at the end the following new subsection:

"(d) Subject to the maximum contribution prescribed by subsection (a) of this section, a participant shall be permitted, while serving on active duty, to make a lump-sum contribution to the fund. A lump-sum contribution to the fund by any participant shall be in addition to or in lieu of monthly deductions made from such participant's military pay and shall be considered, for the purposes of paragraph (2) of section 1631(a), to have been made by monthly deductions from such participant's military pay in the amount of $75 per month or in such lesser amount as may be specified by such participant pursuant to regulations issued jointly by the Secretary and the Administrator.".

Sec. 214. Section 1662 is amended by—

(1) amending subsection (a) by—

(A) inserting after "1955" in paragraph (1) a comma and "and before January 1, 1980"; and

(B) adding at the end the following new paragraph:

"(3) An eligible veteran whose last discharge or release from active duty occurs after December 31, 1979, shall not be afforded educational assistance under this chapter after (A) the expiration of the five-year period following the date on which such veteran first begins to pursue a program of education under this chapter after such discharge or release if such date occurs no later than two years after such discharge or release from active duty or (B) December 31, 1989, whichever is the later."; and

(2) striking out subsection (e) in its entirety.

Sec. 215. Section 1712(a) is amended by—

(1) striking out "and" at the end of clause (4):

(2) redesignating clause (5) as clause (6); and

(3) inserting before clause (6), as so redesignated, the following new clause (5):

"(5) if the person becomes eligible by reason of the provisions of section 1701(a)(1)(A)(iii) of this title after the person's eighteenth birthday but before the person's twenty-sixth birthday, then (unless clause (4) of this subsection applies) such period shall end eight years after the date upon which the person thus becomes eligible; however, in no event shall such period be extended beyond the person's thirty-first birthday; and".

TITLE III—VETERANS' ADMINISTRATION DEBT COLLECTION AMENDMENTS

Sec. 301. (a)(1) Chapter 53 is amended by adding at the end the following new sections:

"§ 3113. Indebtedness offsets

"(a) Notwithstanding any other provision of this title or of any other law, where an individual has been determined to be indebted to the United States by virtue of such individual's participation in a benefits program administered by the Veterans' Administration under this title, the amount of the indebtedness concerned shall, under regulations which the Administrator shall prescribe, be deducted from future payments made under laws administered by the Veterans' Administration to such individual if—

"(1) such individual has been provided with reasonable notice of such individual's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and the right to request a waiver of such indebtedness pursuant to section 3102 of this title and with a reasonable opportunity to exercise such rights;

"(2) the Administrator has made a determination with respect to any such challenge or request, unless the Administrator determines that the passage of the time required to make such determinations prior to making deductions would have the effect of jeopardizing the Administrator's ability to recover the full amount of such indebtedness through deductions from such payments; and

"(3) the Administrator has made reasonable efforts to notify such individual about the proposed deduction from such payments and the provision of subsection (c) of this section and the regulations prescribed thereunder.

"(b) Notwithstanding any other provisions of this title or of any other law, the authority of the Administrator to make deductions under this section or to take other administrative action authorized by law for the purpose of collecting an indebtedness described in subsection (a) of this section, or for determining the credit worthiness of the individual who owes such indebtedness, shall not be subject to any limitation with respect to the time for bringing civil actions or for commencing administrative proceedings.

"(c) Upon application by the individual concerned and under such regulations, the Administrator may, in order to avoid undue hardship to such individual to the extent consistent with recovering the full amount of an indebtedness described in subsection (a) of this section, set the rate at which the amount of such indebtedness shall be deducted from future payments at a rate less than that which would otherwise be required.

"§ 3114. Interest and administrative costs charges on delinquent payments of certain amounts due the United States

"(a) Notwithstanding any other provision of this title or of any other law, and subject to section 3102 of this title, interest and administrative costs (as described in subsection (b) of this section) shall, under regulations which the Administrator shall prescribe, be charged on an amount owed to the United States—

"(1) for an indebtedness to the United States resulting from a person's participation in a benefits program administered under this title by the Veterans' Administration, other than a loan, loan-guaranty, or loan-insurance program;

"(2) for the provision of care or services under chapter 17 of this rule; or

"(3) to the extend permissible under the loan instruments concerned, for an indebtedness resulting from an individual's participation in a program of loans, loan guaranties, or loan insurance administered by the Veterans' Administration under the title,

if a reasonable period of time, as determined under such regulations, has expired following the initial notification of the amount due to the person owes such amount of the amount due and the fact that such amount has not been paid. Interest, shall accrue on such amount after the expiration of such reasonable period of time, but not for any period prior to the date (A) of the enactment of this section, or (B) on which the Administrator has mailed to the individual concerned, at such individual's most currently available address, notice of the Administrator's intention to charge interest on the indebtedness.

"(b)(1) The administrative costs to be charged under this section shall be so much of the costs incurred by the United States in collecting an indebtedness as the Administrator determines, under such regulations, to be reasonable and appropriate.

"(2) The rate of interest to be charged under this section shall be based on the rate of interest paid by the United States for its borrowing and shall be determined by the Administrator, in consultation with the Secretary of the Treasury, under such regulations.

"§ 3115. Authority to sue to collect certain debts

"(a) Not later than ninety days after the date of the enactment of this section, the Administrator shall take appropriate steps to authorize attorneys employed by the Veterans' Administration to exercise the right of the United States to bring suit, subject to the direction and supervision of the Attorney General and upon such terms and conditions as the Attorney General may prescribe, in any court of competent jurisdiction to recover any indebtedness that is owed to the United States by an individual by virtue of such individual's participation in a benefits program administered by the Veterans' Administration under this title, if the Administrator has determined, under regulations which the Administrator shall prescribe, that such individual has failed to respond appropriately to reasonable administrative efforts to collect such indebtedness

"(b) Not later than one hundred and twenty days after the date of the enactment of this section, the Administrator and the Attorney General shall submit to the appropriate committees of the Congress a joint report that describes and explains the actions taken by the Administrator and the Attorney General to implement subsection (a) of this section.

"(c) Nothing in this section shall derogate from the authority of the Attorney General of the United States under sections 516 and 519 of title 28, United States Code, to direct and supervise all litigation to which the United States or an agency or officer thereof is a party.".

(2) Not later than October 1, 1980, the Administrator shall prescribe the regulations required to be prescribed under sections 3113 and 3114 of title 38, United States Code, as added by paragraph (1) of this subsection.

(3) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new items:

"3113. Indebtedness offsets.
"3114. Interest and administrative costs charges on delinquent payments of certain amounts due the United States.
"3115. Authority to sue to collect certain debts.".

(b) Section 3301 is amended by—

(1) inserting "or in preparation for" after "In" in clause (5) of subsection (b);

(2) amending subsection (c) to read as follows:

"(c)(1) The amounts of any monetary payments made by the Veterans' Administration to a beneficiary of a benefits program administered by the Veterans' Administration under this title shall be made known to any person who applies for such information, and the Administrator, with the approval of the President, upon determination that the public interest warrants or requires, may, at any time and in any manner, publish any or all information of records pertaining to any claim.

"(2) Any appraisal report or certificate of reasonable value submitted to or prepared by the Veterans' Administration in connection with any loan program authorized under chapter 37 of this title shall be made available to any person who applies for such report or certificate.";

(3) redesignating subsection (g) as subsection (i) and inserting after subsection (f) the following new subsections (g) and (h):

"(g)(1) Subject to the provisions of this paragraph, the Administrator may, pursuant to regulations which the Administrator shall prescribe, release the name and address of an individual to a consumer reporting agency when necessary for the purpose of—

"(A) locating such individual when (i) such individual is administratively determined to be indebted to the United States by virtue of such individual's participation in a benefits program administered by the Veterans' Administration under this title, or (ii) the Administrator determines under such regulations that (I) it is necessary to locate such individual in order to conduct a study pursuant to section 219 of this title or a study required by any other provision of law, (II) such individual's inclusion in such study and the cost of such inclusion, in light of any other alternatives reasonably available to develop information necessary for such study and the costs of such alternatives and any possible consequences for such individual resulting from such release, clearly warrant such release, and (III) the release of such information and the fact that the Administrator has inquired as to such individual's present address (in order that any such study may be conducted) will not create a substantial risk of being construed as indicating that such individual is indebted to the United States or of otherwise having an adverse effect on such individual's credit worthiness, credit standing, or credit capacity; or

"(B) obtaining a consumer report in order to assess the ability of an individual so indebted to the United States to repay the indebtedness when the Administrator determines under such regulations that such individual has failed to respond appropriately to administrative efforts to collect such an indebtedness;

and may so release to such agency for either such purpose such other information as the Administrator determines under such regulations is reasonably necessary to identify such individual, but not including any information indicating expressly or implicitly any indebtedness to the United States or any other information reflecting adversely on such individual. Prior to making any such release, the Administrator shall, to the maximum extent practicable and under such regulations, determine that such agency (including any consumer reporting agency described in paragraph (4)(B)(i) of this subsection to which such information is to be transmitted by a consumer reporting agency described in paragraph (4)(B)(ii)(I) of this subsection) maintains and reports information of the character involved in such release in such a manner as not to indicate in its file on such individual or in any consumer report issued or other disclosure made by it that an inquiry by the Veterans' Administration pursuant to this paragraph indicates the existence of an indebtedness to the United States or otherwise reflects adversely on such individual. A consumer reporting agency to which the Administrator releases information under this paragraph may not, on the basis of such information, indicate by any such recording or notation in such file or in any consumer report issued or disclosure made by such agency the existence of such indebtedness or any other information reflecting adversely on such individual's credit worthiness, credit standing, or credit capacity. Any willful failure of such consumer reporting agency or of any employee of such agency to comply with the requirements set forth in the preceding sentence shall be punishable in the same manner prescribed for the violation described in the last sentence of subsection (f) of this section.

"(2)(A) When the Administrator determines under such regulations that an individual has failed to respond appropriately to reasonable administrative efforts to collect an indebtedness described in paragraph (1)(A)(i) of this subsection, the Administrator may release information relating to such indebtedness and the identity and address of such individual to one or more consumer reporting agencies for the purposes of making such information available for inclusion in consumer reports regarding such individual and, if necessary, of locating such individual if—

"(i) the individual has been provided reasonable notice of such individual's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and the right to request a waiver of such indebtedness pursuant to section 3102 of this title, has been provided with a reasonable opportunity to exercise such rights, and the Administrator has made a determination with respect to any such challenge or request; and

"(ii) sixty calendar days have elapsed following the mailing to such individual at such individual's most currently available address of notice of the Administrator's intent to release such information for such purposes, notice of the name and address of each consumer reporting agency to which such release will be made by the Administrator, and the specific information intended to be released.

"(B) Following the release of information under subparagraph (A) of this paragraph—

"(i) the Administrator shall notify each consumer reporting agency (including each consumer reporting agency described in paragraph (4)(B)(i) of this subsection to which the Administrator has caused such information to be transmitted by a consumer reporting agency described in paragraph (4)(B)(ii)(I) of this subsection) to which such information has been released by the Administrator of any substantial change in the status or amount of such indebtedness by the end of the calendar month following the calendar month during which such change occurs and shall, upon the request of any such consumer reporting agency for verification of any or all information so released, promptly provide verification or correction, as appropriate, of such information; and

"(ii) if the Administrator determines that the individual concerned had not, prior to such release of information, received a communication from the Veterans' Administration providing such individual with actual notice of the indebtedness and the rights and the opportunity described in subparagraph (A)(i) of this paragraph, any information in the possession of a consumer reporting agency indicating that such indebtedness is delinquent or past due shall, notwithstanding any other provision of law, be deemed to be inaccurate for purposes of section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i), and the Administrator shall immediately advise such individual and each consumer reporting agency (including each consumer reporting agency described in paragraph (4)(B)(i) of this subsection to which the Administrator has caused such information to be transmitted by a consumer reporting agency described in paragraph (4)(B)(ii)(I) of this subsection) to which the Administrator has released information relating to such indebtedness that any such indication is inaccurate for purposes of such section and advise such individual of the provisions of such section.

"(3) No contract entered into for any of the purposes of this subsection or subsection (h) of this section and no action taken pursuant to any such contract or either such subsection shall result in the application of section 552a of title 5 to any consumer reporting agency or employee thereof.

"(4) For the purposes of this subsection and subsection (h) of this section—

"(A) The terms 'consumer report' and 'file' shall have the meaning provided in subsections (d) and (g) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a (d) and (g)), respectively.

"(B) The term 'consumer reporting agency' (i) shall have the meaning provided in subsection (f) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)), and (ii) shall also mean any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of (I) otaining credit information or other information on consumers from consumer reporting agencies (as defined in subsection (f) of section 603 of such Act) for the purpose of furnishing such information to third parties, or (II) serving as a marketing agent under arrangements enabling third parties to obtain such information from such agencies.

"(h) The Administrator may, pursuant to regulations which the Administrator shall prescribe and which shall not become effective until 30 days following publication in the Federal Register, release the name, address, and other information relating to the identity of an individual, to any person in a category of persons that is described in such regulations and specified as a category of persons to whom such information may be released, if the release of such information is necessary for the purpose of—

"(1) determining the credit worthiness, credit capacity, income, or financial resources of an individual who has (A) applied for any benefit under chapter 37 of this title, or (B) submitted an offer to the Administrator for the purchase of property acquired by the Administrator under section 1820(a)(5) of this title;

"(2) verifying, either before or after the Administrator has approved an individual's application for assistance in the form of a loan guaranty or loan insurance under chapter 37 of this title, information submitted by a lender to the Administrator regarding the credit worthiness, credit capacity, income, or financial resources of such individual;

"(3) offering for sale or other disposition by the Administrator, pursuant to section 1820 of this title, any loan or installment sale contract owned or held by the Administrator; or

"(4) to the extent not otherwise authorized by this paragraph, providing assistance to any applicant for benefits under chapter 37 of this title or administering such benefits if the Administrator promptly records the fact of such release in appropriate records pertaining to the person concerning whom such release was made."; and

"(4) amending subsection (i), as redesignated by clause (2) of this section, by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (g)(3) of this section, any".

TITLE IV—VETERANS' ADMINISTRATION HEALTH-CARE COST RECOVERY PROVISIONS

SEC. 401. (a) Subchapter III of chapter 17 is amended by adding after section 628 the following new section:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability and such disability was incurred—

"(1) incident to such veteran's employment and the disability is covered under a workers' compensation law or plan which provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability.

"(2) as the result of a motor vehicle accident covered under the law of a State which requires the owners or operators of motor vehicles registered in such State to have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State or subdivision thereof in which a person injured as the result of such crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime,

the United States shall have the right to recover, subject to the limitations, conditions, and procedures prescribed in subsections (b) and (c) of this section, the reasonable costs of such care and services from the State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations insurance carrier, to the extent that such veteran, or the provider of care and services to such veteran, would be eligible to receive reimbursement or indemnification for such care and services if such care and services had not been furnished by a department or agency of the United States.

"(b) The amount that may be recovered by the United States in exercising the right provided under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished such veteran under this chapter, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe after notice and opportunity for public comment, or (2) the maximum amount specified by the law of the State or subdivision thereof concerned or by any relevant contractual provision to which such veteran was a party or was subject.

"(c)(1) The United States shall, as to the right provided in subsection (a) of this section, be subrogated to any right or claim that such veteran or such veteran's personal representative, successor, dependents, or survivors may have against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(2) In order to enforce any such right or claim to which it is subrogated under paragraph (1) of this subsection—

"(A) the United States may intervene or join in any action or proceeding brought by the veteran or such veteran's personal representative, successor, dependents, or survivors against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier, or

"(B) if—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to such veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to such veteran at such veteran's last-known address, or to such veteran's personal representative or successor, of the United States' intention to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against such State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section.

"(e) No law of any State or of any subdivision thereof, and no provision of any contract or agreement entered into, renewed, or modified pursuant to any State law shall operate to prevent recovery by the United States under (1) subsection (a) of this section for care and services furnished under this chapter to any veteran for a non-service-connected disability, or (2) subsection (b) of section 611 of this title for care and services furnished as a humanitarian service in emergency cases under such subsection to any individual.".

"(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 628 the following new item:

"§ 629. Recovery by the United States of the cost of certain care and services.".

On page 71, line 4, strike out "III" and insert in lieu thereof "VI".

On pages 71 through 74, redesignate sections 301 through 308 as sections 601 through 608.

On page 74, between lines 21 and 22, insert the following new sections:

SEC. 609. Section 502 of Public Law 96-128 is amended by adding at the end the following new sentence: "Disclosures of information made under this section shall for all purposes be deemed to be disclosures authorized in title 26, United States Code.".

SEC. 610. Section 303 of the Veterans' Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1092, 1096), is amended by—

(1) inserting "(a)" before "Section"; and

(2) adding at the end the following new subsection:

"(b) The amendment made by subsection (a) of this section shall take effect with respect to appointments made on or after the date of the enactment of this Act.".

SEC. 611. Notwithstanding the provisions of section 5072(b), 5073(a)(2), or 5082(b) of title 38, United States Code, in cases in which the Administrator has approved an application for a grant or supplemental grant under subchapter I of chapter 82 of such title (for the establishment of a new State medical school), amounts appropriated pursuant to section 5072(a) or 5082 of such title that are approved for such a grant or supplemental grant shall remain available for, and may be paid during, a period of twelve months in addition to the periods provided for in such sections, respectively, and any funds made available by this section for payments, or authorized to be paid, under such grant or supplemental grant for faculty salaries may not exceed the amount provided for under section 5073(a)(2)(G) of such title.

SEC. 612. Section 4107(c)(3) is amended by striking out "section 4507" and inserting in lieu thereof "sections 4507 and 5384".

On page 74, line 22, strike out "309" and insert in lieu thereof "613".

On page 74, line 22, strike out "subsection (b)" and insert in lieu thereof "subsections (b) through (f)".

On page 75, after line 16, insert the following new subsections:

(c) The provisions of sections 210, 211, and 212 shall take affect on January 1, 1981.

(d) The provisions of sections 213, 214, and 215, titles III and V, and section 610 shall take effect on the date of the enactment of this Act.

(e) The amendments made by title IV shall be effective with respect to care and services furnished under chapter 17 of title 38, United States Code, after September 30, 1980.

(f) The provisions of section 609 shall take effect as of November 28, 1979.

Mr. CRANSTON. Mr. President, the committee amendment would add to S. 1188 provisions of other measures that have already passed the Senate earlier this session so that the resolution of differences with the House of Representatives regarding these provisions will be facilitated by taking place in the context of this bill. Those provisions are three sections of S. 2649, originally passed by the Senate as part of H.R. 7511 on August 6—section 402, relating to the disclosure of certain information for purposes of administering the VA home-loan program; section 503, modifications in the post-Vietnam-era veterans' educational assistance program; and section 504, modifications of the 1989 termination date of the current GI bill—and section 805 of S. 2885, relating to the enhancement of VA debt-collection efforts, passed by the Senate on June 26.

For my colleagues' reference, Mr. President, these provisions were described in detail during the Senate's previous consideration and approval of the measures cited above, and I would refer those who wish to review them to pages S10896 through S10927 of the Record for August 6 and pages S8323 through S8328 of the Record for June 26.

Mr. President, the committee amendment would also amend the provisions of S. 1188 relating to the 10-percent GI bill cost-of-living increase to delay the effective date from October 1, 1980, to January 1, 1981. This is consistent with section 801 of S. 2885, the proposed "Reconciliation Act of 1980," which passed the Senate on June 30 by a vote of 89 to zero and which included a 10-percent GI bill rate increase, effective January 1, 1981. I am proposing this provision of the committee amendment with the utmost reluctance and solely because of the budgetary constraints imposed by the first concurrent resolution on the budget for fiscal year 1981. I believe that it is very unfair that the Congress must consider such a substantial postponement of this GI bill increase—the first in 3 years—in order to make it possible, within the inadequate levels for veterans' programs in the first budget resolution, to meet our commitments to our Nation's service-connected disabled veterans and the survivors of those who have died in the service of our country.

Further, the committee amendment would modify the age criteria for receipt of educational assistance under chapter 35 of title 38 in the case of dependents of individuals serving on active duty in the military who are listed by the Department of Defense for more than 90 days as missing in action, as prisoners of war, or as being forcibly detained or interned in the line of duty by a foreign government so as to apply generally the same age criteria applied under current law to chapter 35—eligible dependents who themselves enter service in the military. In this regard, the amendment would provide that a dependent who—as the result of his or her parent being missing in action or taken captive—becomes eligible for chapter 35 assistance after turning 18 but prior to attaining 26 years of age, would have 8 years or until his or her 31st birthday, whichever comes first, in which to utilize entitlement under chapter 35. Mr. President, this amendment is based on the provisions of H.R. 8007, which was introduced on August 22 by Representative Mottl, of Ohio in response to the case of a dependent of one of the Marine guard hostages being held in Iran.

The committee amendment would also add to S. 1188 certain provisions from title III of H.R. 7102, originally passed by the Senate on June 5, 1980, strengthening and clarifying the Veterans Administration's authority to recover the costs of veterans' non-service-connected care, in appropriate cases, from workers' compensation carriers, auto no-fault insurers, and States that pay for the costs of health care provided to victims of crimes of personal violence. The House of Representatives did not accept these provisions, and they are thus not contained in H.R. 7102 as enacted over the President's veto on August 26. By adding these provisions to this bill, we will be extending to the House a further opportunity to consider them.

In addition, Mr. President, the committee amendment includes a provision to make a technical amendment in section 502 of Public Law 96-128, the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979, to clarify, what was clearly the intent of Congress in enacting that law in December of last year, that disclosures of information made pursuant to the authority provided in section 502 are not in technical violation of the criminal provisions of title 26 of the United States Code.

Mr. President, section 502 of Public Law 96-128 requires that the Director of the National Institute of Occupational Safety and Health—NIOSH—request from the Internal Revenue Service under section 6103(m)(3) of the Internal Revenue Code of 1954—title 26 of the United States Code—and supply to the VA the mailing addresses of individuals whom the VA Administrator has certified as having experienced a possible occupational hazard exposure during military service. This section authorizes the VA to use addresses solely for the purpose of locating these individuals as part of an activity being carried out by or on behalf of the VA to determine the status of the health of such individuals or to inform them that they may need medical care or may be entitled to VA benefits. This provision was intended to facilitate the ability of the VA and its contractors to conduct epidemiological follow-up studies of the long term health effects of exposure to radiation, agent orange, and other hazardous substances. Section 502 gives the same authority to other Federal agencies.

Mr. President, section 6103(m)(3) of title 26 authorizes the IRS to disclose the mailing addresses of taxpayers only to officers and employees of NIOSH soley for purposes of locating individuals who are, or may have been, exposed to occupational hazards. However, neither that provision nor any other provision of title 26 authorizes NIOSH to disclose these IRS-provided addresses to the VA, or the VA to disclose them to a contractor carrying out an epidemiological study.

In addition, section 7213(a)(2) of title 26 provides that it shall be unlawful for any Federal employee or former Federal employee willfully to disclose to any person, "except as authorized in" title 26, any Federal tax return information. Section 7213(a)(2) further provides that any violation of this provision shall be a felony punishable by rather severe penalties.

Because the disclosures authorized under section 502 of Public Law 96-128 are not authorized "in" title 26, NIOSH employees who disclose IRS-provided addresses to the VA and VA employees who further disclose those addresses to a VA contractor or other Federal agencies may be considered technically in violation of section 7213(a)(2) of title 26.

Thus, in order to correct this situation, the committee amendment would amend section 502 of Public Law 96-128 to provide that disclosures made under that section shall be deemed to be disclosures authorized "in" title 26, United States Code.

Mr. President, the committee amendment also includes a provision that would make a technical, clarifying amendment in paragraph (3) of section 4107(c) of title 38, relating to nonphysican VA hospital directors, to add a cross-reference to a provision in title 5, section 5384, which relates to the award of performance bonuses to employees in the Senior Executive Service.

This amendment is necessary because section 105(c) of Public Law 96-330, the recently enacted Veterans' Administration Health Care Amendments of 1980, which added paragraph (3) to section 4107(c), by inadvertence included only a cross-reference to section 4507 of title 5 and the further reference to section 5384 of such title is needed to fulfill the congressional intent-set forth in the explanatory statement inserted in the Congressional Record during consideration in both bodies, July 31, 1980, in the House, and August 1, 1980, in the Senate—of insuring that nonphysician VA hospital directors remain eligible for SES bonuses once they are transferred, pursuant to other provisions in Public Law 96-330, from title 5 personnel system to the VA's Department of Medicine and Surgery title 38 personnel system.

Mr. President, another provision in the committee amendment would amend section 303 of Public Law 96-151, the Veterans' Health Programs Extension and Improvement Act of 1979, to clarify that that section-which reduced from 3 years to 2 years the probationary period for certain employees hired under the authority of title 38 in the VA's Department of Medicine and Surgery—applies only to appointments made on or after December 20, 1979, the date of the enactment of that law. This is the way that the VA has implemented this provision—a sensible approach that avoids the confusion and administrative impracticalities that could result from any retroactive application of a reduced probation period in the cases of employees who were well into their probationary sevice when the law was enacted, especially those in the third year of probationary status. Thus, this provision of the committee amendment would provide specific clarification confirming the validity of the VA's implementation of the provision reducing the probationary period.

Mr. President, I ask unanimous consent to have printed in the Record at this point the text of VA Circular 00-80-24, the document by which the VA is, as I have just described, implementing section 303 of Public Law 96-151.

There being no objection, the circular was ordered to be printed in the Record, as follows:

Circular 00-80-24

Public Law 96-151, "Veterans' Health Programs Extension and Improvement Act of 1979," and change in probationary period for title 38 employees.

1. Purpose: This circular implements the provision of P.L. 96-151, approved December 20, 1979, which amended 38 U.S.C. 4106 (B). This amendment has the effect of changing the required period of probationary service from three to two years for title 38 employees given probationary appointments in DM&S on or after December 20, 1979, the effective date of the law. This does not affect title 38 probationary employees who were appointed on or before December 19, 1979, who will complete the required 3-year period of probationary service for which they were appointed.

2. Probationary period: All persons indicated in part 1 above appointed on or after December 20, 1979, are required to serve a period of two years of probationary service in DM&S.

3. Creditable service while on leave without pay: The amounts of service creditable toward completion of the probationary period while on leave without pay prescribed in MP-5, part II, chapter 4, paragraph 5D, will apply to all probationary employees, irrespective of the length of the probationary period.

4. Documentation: Paid instructions for documenting records of affected employees appointed on and after December 20, 1979, were issued by teletype to ALVAMC on January 15, 1980.

5. The provisions of chapter 4, "Probationary Period," MP-5, part II, and the DM&S supplement thereto are modified insofar as they are affected by the provisions of this circular. Appropriate changes to chapter 4 will be issued later.

6. A confirming issue of this teletype will not follow.

7. A copy of this circular should be furnished exclusively recognized labor organizations representing employees covered by its provisions. Management should meet in advance with such labor organizations concerning its implementation procedures and its impact on affected unit employees. Also, existing negotiated agreements should be reviewed for applicable provisions.

8. Rescission: This circular expires February 28, 1981.

Mr. Cranston. Finally, Mr. President, the committee amendment contains a provision to modify the VA's program of grant assistance to new State medical schools under chapter 82 of title 38. Under subchapter I of chapter 82, the VA operates a program for assistance in the establishment of new State medical schools, under which 5 medical schools—Marshall University in Huntington, W. Va.; the Quillen/Dishner Medical School in Johnson City, Tenn.; Texas A. & M. University in Temple, Tex.; the University of South Carolina in Columbia, S.C.; and Wright State University in Dayton, Ohio—have received grants to assist these institutions to extend, alter, remodel, improve, or repair buildings to make them suitable for use as medical school facilities and to help pay the faculty salaries at such schools. Each of these schools is affiliated with at least one nearby VA medical center.

No new schools may any longer be established under this program, but the authorization of appropriations extends through fiscal year 1982, and funds previously appropriated remain available—by virtue of sections 5072(b) and 5082(b)—for 6 years after the year for which they were appropriated. Under section 5073(a)(2), a grant made under this subchapter for the payment of faculty salaries may be used for that purpose only during the first 7 years of the school's operation and only up to specified percentages of total faculty salary costs—declining from 90 percent in the first 3 years of operation to 50 percent in the 7th year.

Wright State was the first of these schools to receive a subchapter I grant, and it has just begun its 7th year of operation, as defined in the VA's implementing regulations. My distinguished colleague from Ohio (Mr. Glenn) has brought to my attention that Wright State may be unable to use effectively by the end of the 7-year period the full amount of the grant money it has received under this program for faculty salaries.

To resolve this problem and to prevent the other four schools from facing similar problems with respect to grants for salaries or for other authorized purposes, section 510 in the committee amendment would provide for an additional 12-month period—beyond the periods prescribed in sections 5072(b), 5082(b), and 5073(a)(2)—in which these new State medical schools could obligate the funds which have been committed to them under subchapter I. This amendment would not provide for the authorization of appropriations for any additional funds for the schools in the eighth year and would limit the amount of the remaining funds which could be used to pay faculty salaries in the eighth year to 50 percent of the cost of such salaries, the same limit that currently applies in the seventh year. Thus, the amendment is designed to permit the schools to make appropriate, efficient use of the funds that the VA has already committed to them under this grant program.

I wish to thank the Senator from Ohio (Mr. Glenn) very much for his excellent work on this amendment and for bringing this problem to the committee's attention. We believe that this program has been most successful and hope that this amendment will allow these five new medical schools to use the grant money they receive under subchapter I for the intended purposes.

Mr. President, I know of no objection to this amendment which I offer along with the distinguished ranking minority member in behalf of the committee, and urge its adoption.

Mr. SIMPSON. Mr. President, I wish to join my esteemed colleague and chairman of the Veterans' Affairs Committee in calling for adoption of this committee amendment.

Senator CRANSTON has adequately and very clearly summarized the text of this amendment, and I should wish to point out to our colleagues that the basic purpose of the amendment is to facilitate our conferring with the House of Representatives on those legislative items which were passed by this body at an earlier date.

I know of no objection to this committee amendment, and I urge my colleagues to adopt it.

Thank you, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment (UP No. 1548) was agreed to.

UP AMENDMENT NO. 1549

(Purpose: To authorize expansion of the scope of an epidemiological study regarding veterans exposed to Agent Orange to include additional factors)

Mr. CRANSTON. Mr. President, on behalf of the distinguished ranking minority member, Mr. Simpson, and myself, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

"The Senator from California (Mr. Cranston), for himself and Mr. Simpson, proposes an unprinted amendment numbered 1549."

Mr. CRANSTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows.

On page 71, between lines 3 and 4, insert the following new title:

TITLE V—AMENDMENTS TO AGENT ORANGE STUDY PROVISIONS

SEC. 501 Section 307 of the Veterans' Health Programs Extension and improvement Act of 1979, Public Law 96-151 (93 Stat. 1097), is amended by amending subsection (a)(1) to read as follows:

"(a)(1)(A)(i) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the study provided for by division (1) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such study to include an evaluation of the adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B)(i) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the review and analysis of the literature provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such review and analysis of the literature to include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in subparagraph (A)(ii) of this paragraph.".

Mr. CRANSTON. Mr. President, this amendment, which related to the issue of the adverse health effects in Vietnam veterans that may be associated with exposure to the herbicide agent orange during their service in Vietnam and the Government's response to this issue, would amend a provision—section 307—in Public Law 96-151, the Veterans' Administration Health Resources and Programs Extension Act of 1979, that requires the VA to "design a protocol for and conduct an epidemiological study of" persons exposed to agent orange while serving in the Armed Forces of the United States during the Vietnam conflict. As my colleagues will recall, last December, during consideration of H.R. 3892—the legislation that was ultimately enacted as Public Law 96–151—the Senate adopted a provision I proposed to mandate this study. The amendment that I am offering today would amend that study provision in three ways. First, it would authorize—although not mandate—the VA Administrator to expand the scope of the statutory study—along lines recommended by the scientific panel of the interagency work group to study the possible long-term health effects of phenoxy herbicides and contaminants, the so called IAC. This recommendation was included in the panel's July 30, 1980, "herbicide orange status report." That I inserted into the August 6 Congressional Record.

Thus, the amendment would expand the study to include an evaluation of the possible adverse health effects of factors other than agent orange related to service in Vietnam. Second the amendment would add a provision to section 307 to authorize expressly the Administrator to carry out the statutory study through a contract with a public or private entity so as to clarify the congressional intent in this regard; and, finally, my amendment would make certain technical amendments to the description of the scope of the agent orange study mandate.

On the issue of the expanded scope of the study, the recommendation of the IAG's scientific panel seems to me to be highly significant. In making the recommendation that any study of adverse health effects in Vietnam veterans be expanded beyond agent orange, the panel seems to suggest that a combination of chemical, physical, environmental, and emotional factors peculiar to service in the war in Vietnam might be responsible for a host of health problems now being blamed on agent orange alone. Further, the scientific panel indicated that, because of the difficulties inherent in identifying a population of ground troops who were exposed to agent orange in Vietnam and the uncertain scientific data available on the health effects of dioxin exposure, it would be more appropriate to design a study that would recognize other factors as possible bases for any ill-health effects that are shown to exist in the Vietnam veteran population.

Mr. President, agent orange may be only the tip of an epidemiologic iceberg, or it may not. Either way, the sooner we know the truth, the better. An expansion of the study could help resolve this question.

Should the Administrator exercise the option in the amendment and expand the focus of the study, the broader study should lead to a more reliable, and possibly faster, result. The results of such a study could do much to reassure veterans and their families who are presently experiencing so much anxiety.

Mr. President, as I noted earlier, our amendment would expressly authorize the VA to carry out the mandated study through a contract with a public or private entity. Earlier this year, on June 3, because of my concern that many of those most concerned about the agent orange issue no longer believe that the VA can by itself fairly study and evaluate the merits of the issue. I called upon the Administrator to contract with an outside entity of high scientific repute for the management of the mandated study, a recommendation that the VA is still evaluating, and I continue to believe that having an outside body—beyond the Office of Technology Assessment which already has a statutorily mandated monitoring role—actively involved in the management of the study would improve the likelihood that the study results will be viewed as credible. Indeed, the VA has already requested bids from outside entities on designing the protocol for the study. The provision in the amendment would make clear that the VA has the authority to contract for the management of the study, and I hope that such clarification will remove any concerns on this point.

Whether the study's scope is broadened or not—and I want to stress that the decision on whether to broaden the study would be left solely to the Administrator's discretion under the amendment—the law would continue to require the focus on agent orange. Indeed, the study mandate, as my amendment would slightly revise it, would still place primary emphasis on the adverse health effects of exposure to dioxin as contained in agent orange by requiring the VA to study the effects of exposure to dioxin while giving the Administrator the discretion to study the effects of other factors related to Vietnam service.

In order to assist the Administrator to make an informed decision on the possible expansion, the Committee on Veterans' Affairs will hold a hearing on September 10 to receive an update on agent orange-related matters, especially activities by the Federal Government, and specifically to explore in more detail the IAG scientific panel's July 30 report and its recommendation regarding expansion of the study.

Because of the continuing emphasis on agent orange, whether the scope of the study is expanded or not, our amendment would make some technical adjustments to the study description set forth in Public Law 96-151 so as to remedy some problems that VA scientists and others have noted in the existing study mandate.

The result of the proposed technical amendment would be to change the study from a study of "persons who, while serving in the Armed Forces of the United States during the period of the Vietnam conflict, were exposed to any of the class of chemicals known as the dioxins produced during the manufacture of the various phenoxy herbicides (including the herbicide known as agent orange)" to a study of "the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as agent orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides." By this change, the threshold problem of identifying a population exposed to dioxins is removed and, instead, the VA—or an outside contractor, if one is utilized—can begin the mandated study by identifying a population with service in Vietnam and then focus on dioxin exposure among those in that population.

Mr. President, I believe that the impact of the various provisions in our amendment will be to define properly and emphasize the existing agent orange study mandate and this should result in the study moving forward in a more expeditious and effective manner. As I have stated on a number of occasions, we cannot resolve the many very difficult, very complex issues related to agent orange without valid data on the effects of dioxin exposure in general and on the current health of Vietnam veterans as a group, and I believe that the Public Law 96-151 study is a key method by which this data can be gathered.

I urge my colleagues to adopt this amendment.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from California.

Mr. Cranston's amendment (UP No. 1549) was agreed to.

UP AMENDMENT NO. 1550

The **PRESIDING OFFICER**. The Senator from Pennsylvania (Mr. Heinz).

Mr. **HEINZ**. Mr. President I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The clerk will report the amendment.

The assistant legislative clerk read as follows:

"The Senator from Pennsylvania (Mr. Heinz) for himself and others proposes an unprinted amendment numbered 1550."

Mr. **HEINZ**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page 71, between lines 3 and 4, insert the following new section following section 501:

SEC. 502. Section 307 of the Veterans' Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1097), is further amended by amending subsection (b)—

(A) by amending paragraph (2) by inserting "for administrative or legislative action, or both," after "recommendations";

(B) by adding at the end the following new paragraph:

"(3)(A)(i) Not later than ninety days after the submission of each report provided for in paragraph (2), the Administrator shall, based on the results described in each such report and the comments and recommendations thereon and any other available pertinent information, develop and publish in the Federal Register, for public review and comment, proposed regulations, containing proposed guidelines, standards, and other criteria (together with an explanation of the basis for such proposed guidelines, standards, and criteria) for resolving claims for benefits administered by the Veterans' Administration based on exposure to Agent Orange during service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict.

"(ii) If the Administrator expands the scope of the study provided for in subsection (a)(1)(A)(i) (as provided for in subsection (a)(1)(A)(ii)), such proposed regulations shall contain proposed guidelines, standards, and other criteria for resolving such claims based on one or more factors described in subsection (a)(1)(A)(ii) related to such service.

"(iii) Proposed regulations developed and published pursuant to division (i) of this subparagraph (and, if proposed regulations are developed and published pursuant to division (ii) of this subparagraph, pursuant to such division) shall include specification of any presumptions (including any presumptions regarding service and exposure) to be applied to the resolution of the claims to which such proposed guidelines, standards, and criteria in such proposed regulations apply.

"(iv) Notwithstanding any other provision of law, the public review and comment process required by division (i) of this subparagraph shall be conducted in accordance with the provisions of sections 553 (b) and (e), 556, and 557 of title 5, United States Code.

"(v) On the same day as such proposed regulations are published as required by division (i) of this subparagraph, the Administrator shall submit to the appropriate Committees of the Congress any recommendations for legislative action that the Administrator considers appropriate in light of such proposed guidelines, standards, and criteria, the report submitted pursuant to subsection (b)(2), and any other available pertinent information.

"(B) Not later than ninety days after the completion of the public review and comment process provided for in subparagraph (A) (i) and (iv), the Administrator shall publish in the Federal Register final regulations containing the guidelines, standards, and other criteria (together with an explanation of the bases for such guidelines, standards, and criteria) for resolving the claims involved.

"(C) Nothing in subparagraphs (A) or (B) shall be considered to limit in any way the discretion and authority of the Administrator to promulgate or prescribe regulations, guidelines, standards, or other criteria for resolving any claims described in subparagraph (A) (i) or (ii) at any time earlier than the time prescribed in subparagraph (A) for the publication of the proposed regulations described in such subparagraph.

"(D) The Administrator's compliance with the provisions of, and any regulations promulgated pursuant to, this paragraph shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".

Mr. Heinz. Mr. President, I offer the amendment on behalf of myself, Senator Cranston, Senator Simpson, Senator Pressler, Senator Hatfield, Senator Durkin, Senator Percy, Senator Biden, Senator Randolph, and Senator Matsunaga.

Mr. President, the purpose of this amendment is really quite straightforward. It is very similar to an amendment I offered in January of this year. It quite simply requires the VA to promulgate regulations containing guidelines to resolve the claims of veterans' benefits based on exposure to agent orange.

This addresses, in other words, one of the most serious problems still confronting Vietnam veterans and their families, the toxic effects of the herbicide agent orange. In the last few years over 10,000 veterans have gone to the VA for treatment of agent orange-related problems resulting from skin and nervous disorders to malfunctions and internal organs and cancer.

Nor is this problem restricted to veterans. Among alleged effects are birth defects in offspring.

In recognition of the serious nature of this problem, Congress has directed the VA to conduct a wide-ranging epidemiological study of those Vietnam veterans who were exposed to agent orange. This study is just beginning and it will be at least a year before the initial findings are reported to Congress.

Mr. President, it has already been 13 years since agent orange was identified as a hazard to humans, and considerable scientific evidence exists indicating its harmful effects. It is understandable, therefore, when many Vietnam veterans express frustration and hostility toward the efforts of their Government to respond to their pleas for help.

It is the purpose, therefore, of my amendment to remove obstacles that could block compensation to veterans for agent orange, and to insure the timely consideration by the VA of findings causally linking agent orange to diseases in humans.

Since the Vietnam veteran is being told that there are insufficient data to rule on his claim for compensation, it is important that he be given assurance that every effort will be made to evaluate new evidence obtained from the VA study just as soon as possible. To accomplish this objective my amendment requires the VA to develop regulations which define what conditions of service establish exposure to agent orange and what symptoms medical research has shown to be caused by agent orange. I would like to point out that the amendment does not prejudge the findings of the VA epidemiological study and does not compel the VA to take any action which is not justified by the existing scientific evidence at the time.

Mr. President, I worked very hard with the committee to structure this amendment so that the committee could be supportive of it at this time. I believe this amendment on which I worked very closely with Senator Cranston and others, is the minimum we should be doing to insure that our Nation's veterans are awarded the benefits they are owed and, I believe, the minimum required to restore the Vietnam veteran's faith in the Government's efforts to address this problem thoroughly and expeditiously.

Mr. President, I would add one other observation on the amendment. Although the amendment that we offer today does not include a specific mandate that the VA's final regulations include a particular presumption framework, it is my understanding that if the VA determines that there are disabilities causally related to exposure, then the VA will have to adjudicate individual claims for those disabilities through a presumption framework. Any other approach would result in massive and unacceptable inequities.

There is no way that individual veterans can prove that their disabilities are specifically and individually related to exposure that occurred one to two decades ago. My belief that the VA must proceed this way is reinforced by a belief that the VA will in fact proceed through a presumption framework because that is both consistent with the statutory framework for adjudicating claims which itself proceeds through presumptions and is also consistent with the VA's administrative practice of giving veterans the benefit of the doubt. Indeed, in the VA's recent decision to grant service-connection status to certain cardiovascular disabilities that developed after service in veterans with certain service connected amputations, the VA adjudicated claims through a presumption framework. Accordingly, at this time. I can understand that it is not necessary to include a specific requirement, but I remain convinced that the final regulations must include a presumption framework of some sort.

Mr. President, I mentioned earlier that the Senator from California (Mr. Cranston) and I worked long and hard to try to bring about a compromise solution to this problem. There are three points about my amendment that I want to highlight and on which I would like the views of the Senator from California (Mr. Cranston) for the purpose of establishing a legislative history.

First, Mr. President, I want to note my understanding that, although our amendment calls for action by the VA Administrator to issue proposed regulations not later than 90 days after the submission of the first report, and not later than 90 days after each subsequent report, on the VA's epidemiological study, the amendment does not expressly preclude, and is not intended to prevent, the Administrator from taking such action at any earlier time, and indeed the text makes this point explicity. In fact, I believe that the Administrator should develop and promulgate regulations providing guidelines for the resolution of agent orange-related claims at any earlier point at which he has information warranting specific guidelines for one or more specific types of claims for VA benefits based on exposure to agent orange.

In this regard, I would also note that our amendment is not restricted to requiring action on the study results alone but also on other available pertinent information at the time the proposed regulations are issued. It seems to me that this is a clear recognition that other information may be developed on the basis of which the Administrator could act and that such information is not limited to information available at the time of the study. By including a reference to other pertinent information, the amendment makes the important point that although the results of the study are important, those results will not and should not be the only basis for action.

Mr. Cranston. Mr. President, I agree completely with my colleague from Pennsylvania (Mr. Heinz) about the pending amendment. The time frame incorporated in our amendment is appropriate in light of the expectation that the Public Law 96-151 study should yield some information regarding Vietnam veterans on which action could be taken and that this information will likely be the first good information on those veterans. However, at any point that the VA has adequate information on which to base specific guidance for resolving agent orange claims, it should do so. I assure my friend from Pennsylvania and all of my colleagues that, in my capacity as chairman of the Committee on Veterans' Affairs, I will work to insure that the VA takes such action at all appropriate points.

Mr. Heinz. Mr. President, I thank the Senator from California.

Let me also stress that the purpose of the amendment is to require the VA to conduct rulemaking once reliable results of the study are available. As we have just indicated, the amendment is not intended to prohibit or preclude any agency rulemaking action before the results of that study are available. I am aware that the VA has yet to conduct public rulemaking on the rules it now uses to decide claims for agent orange-related disabilities. Indeed, I encourage the VA to allow public participation in all agency decisions made before the study is completed. And I understand that such action is the subject of a lawsuit filed in Federal District Court in Washington, D.C., White against Cleland. This amendment is not intended to affect or influence in any way the outcome of this litigation or any rules that may or should be promulgated before the study is completed.

A second point about my amendment that I want to highlight is the absence of any specific mention of genetic damage or birth defects in the amendment itself. In the amendment that I had originally planned to offer, I had included specific reference to this issue and provided a mechanism by which birth defects in the children of Vietnam veterans might be compensated for, should such a health problem be linked to their parent's exposure to agent orange. Such reference is not included in the pending amendment because, in my discussions with the distinguished chairman, I have become convinced that it would be more appropriate for the Congress to fashion any suitable legislation needed to provide compensation and health-care benefits for a child of a veteran only after Congress would have before it definitive data indicating that the birth defects do result from genetic damage due to exposure to a particular chemical during service—if that should prove to be the case. Once any such data is provided, I am confident that the Veterans' Affairs Committee and the Congress would respond promptly and properly to the need for such legislation in light of the particular facts shown to exist.

Nevertheless, I remain very concerned about this aspect of the agent orange issue, and stress that the study itself will include a focus on the question of genetic damage—as one of many alleged "long-term adverse health effects" to be investigated—and that the provisions requiring the Administrator's recommendations on any study findings or other data to include recommendations "for administrative or legislative action, or both" would provide a firm basis for the consideration of legislative action, as indicated, to address problems related to genetic damage.

Mr. Cranston. Mr. President, my colleague is again correct. As he notes, the Public Law 96-151 study calls for an evaluation of adverse health effects. There is no question but that this term includes any genetic damage that may be shown to have resulted from exposure to agent orange or from other aspects of service in Vietnam. I believe that the study—along with other studies, such as that which the Center for Disease Control, utilizing its birth defects registry, is preparing to undertake in the Atlanta area—will shed light on this most troublesome facet of the agent orange problem, on which some important reassurance has recently been provided by the male mouse study. Should such studies demonstrate a clear link between dioxin exposure and genetic damage in humans, I would do all that I could to insure prompt legislative action recognizing such a connection and providing appropriate relief. I would also expect the Administrator of Veterans' Affairs to recommend such a legislative change pursuant to the provision in the pending amendment.

I believe it is preferable, however, that the legislative language not undertake to begin to laundry list a whole variety of adverse health effects that some veterans are concerned might be linked to their exposure to agent orange, and I thank the Senator from Pennsylvania for his cooperation in this respect in the drafting of the pending amendment.

Mr. Heinz. Finally, I wish to stress that this amendment is not intended to affect or influence in any way litigation in connection with the VA's initial notice regarding the contracting process on the original request for proposal issued pursuant to Public Law 96-151, which is also the subject of a GAO investigation requested by several Members of Congress. I do not intend by this amendment to interfere with the orderly processes of the courts and the investigating arm of Congress.

Mr. Cranston. Once more, Mr. President, I concur with the Senator regarding the concern he has expressed.

Mr. Heinz. Mr. President, I thank all my colleagues, and I urge support of this amendment.

Mr. Cranston. Mr. President, I am pleased to cosponsor the amendment of the Senator from Pennsylvania (Mr. Heinz). I have worked closely with the Senator in the development of this amendment—a modification of printed amendment No.

2274, submitted by the Senator last month—and I believe that it is an entirely appropriate amendment. I am extremely grateful to the Senator for his excellent work and his cooperation with me in the development of his amendment.

Mr. President, I believe that this amendment can make a contribution to alleviating the concerns of Vietnam veterans and their families about the health effects of exposure to the dioxin in agent orange. I believe that the approach contemplated by this amendment—setting specific time frames within which the VA must take specified action to develop and issue appropriate guidelines pursuant to which agent orange claims can be resolved—is a useful way to proceed at this point.

Let me stress, however, that this amendment in no way prejudges what the studies and data will show, scientifically, legally, or practically. It does not establish any presumptions of service connection or exposure; nor does it require the VA to take any action in these respects other than what all the evidence suggests should be done at particular points in time.

Mr. President, I know the Senator from Pennsylvania (Mr. Heinz) agrees with me that, first and foremost, the Government needs valid information on agent orange—information on the effects in humans of dioxin exposure and on the present status of the health of Vietnam veterans—before there can be any meaningful response to the agent orange issue, and our amendment recognizes that we do not now have the needed information. I also note that our amendment would not in any way alter the provisions of my amendment that was just adopted that would permit the Administrator to expand the scope of the mandated study to include an evaluation of the effects of elements other than agent orange to which Vietnam veterans might have been exposed during their service in Vietnam.

Mr. President, I urge my colleagues to support our amendment.

Mr. Simpson. Mr. President, I want to commend my fine friend, the Senator from Pennsylvania for his willingness to work with the Veterans' Affairs Committee in the development of this amendment. I want to emphasize to the Senator from Pennsylvania that he joins every single member of this committee in our concern to effectively and honestly settle the tough issue of agent orange. I thank the Senator for his courtesy and cooperation—always evident traits of his.

Mr. Matsunaga. Mr. President, will the Senator from California yield?

Mr. Cranston. I yield.

Mr. Matsunaga. Mr. President, I rise in support of the Heinz amendment. I congratulate the Senator from Pennsylvania and the Senator from California for having worked up an acceptable compromise.

Mr. President, I rise to join the distinguished chairman of the Committee on Veterans' Affairs, the Senator from California (Mr. Cranston), in opposition to the amendment offered by the junior Senator from South Dakota (Mr. Pressler) which would establish a veterans' career development, advancement, and training assistance program. As a member of the Veterans' Affairs Committee, I strongly believe that the approach taken in S. 1188, as reported by the committee, is the correct approach that we must take in order to address the continuing employment and other readjustment needs of Vietnam veterans.

Mr. President, as Chirman Cranston has indicated, the thrust of the Pressler amendment, which would provide financial incentives, or what could be called wage subsidies, to employers to hire, train, or promote Vietnam veterans, is identical to the amendments offered by the Senator from South Dakota and the Senator from Pennsylvania (Mr. Heinz) last January during the Senate's consideration of S. 870, the GI Bill Amendments of 1980. I would remind my colleagues that those amendments were resoundingly defeated by the Senate.

In the case of the Pressler amendment to S. 870, a strong argument was made by Chairman Cranston in opposition to the amendment that the members of the Veterans' Affairs Committee had not yet had the opportunity to analyze or consider the merits of the career development training proposal. The chairman also argued very forcefully that, over the years, the Congress and the Federal Government have enacted, developed, and implemented a number of important programs designed to meet the unique and sometimes difficult employment needs and problems of veterans.

Mr. President, since last January, the Veterans' Affairs Committee has taken the time to carefully review and evaluate the Pressler proposal, which is embodied in the pending amendment, and other approaches to the veteran, particularly Vietnam veteran, unemployment problem. The committee held hearings on these proposals on March 4 of this year and received critical testimonies from the Veterans' Administration, the Department of Labor, and the Disabled American Veterans which expressed serious reservations about the feasibility and desirability of the Pressler career development training legislation.

The Veterans' Administration was of the view that, contrary to its expressed intention of addressing employment problems of Vietnam veterans, the Pressler legislation would "result in a vague, ill-defined program which would convert veterans educational entitlements into substantial employer subsidies at considerable cost to the taxpayer." The VA further testified that these subsidies would "be highly subject to abuse" and that "there is no assurance that the Federal resources expended would be effectively directed to providing meaningful training and job training opportunities for those veterans who need them."

Mr. President, I believe that the VA's testimony struck at the heart of what is wrong with the approach taken in the amendment of the Senator from South Dakota. I oppose the amendment because I believe, as does Chairman Cranston, that funds for veterans benefits should be used only for direct payments to veterans and not for incentive payments to private firms. Senators should realize that what is being proposed here is, in reality, a "wage subsidy" program. While the proposal outlines standard safeguards to curb misuse, the Veterans' Affairs Committee, the Veterans' Administration, and the Department of Labor see vast potential for abuse in the structure of the proposed program.

It is well-known fact, Mr. President, that such wage-subsidy programs, unless very tightly structured and monitored, many times result in situations where there is substitution, dead end jobs, and exploitation of those who are intended to be helped by such programs. As the committee chairman has indicated, we have had a difficult time with employment and training programs conducted by the Department of Labor. No matter how well we thought we designed employment and training programs, no matter how tightly we drew the program regulations and safeguards, the Department of Labor, the agency in our Federal Government with the most expertise and experience in job training programs, has had to struggle to correct problems and remedy abuses.

Mr. President, my colleagues should note that the Pressler amendment would establish a new, thus far untested program in the Veterans' Administration, an agency which has no employment monitoring expertise or experience in this area. Surely, in view of these circumstances, there is even more reason to believe that there is great potential for abuse of this program.

In testimony before the Veterans' Affairs Committee, the Department of Labor indicated that the VA would have difficulty administering the program envisioned in the Pressler amendment. According to the Department of Labor, the Pressler proposal "proposes to duplicate veterans assistance programs currently operated by the Department by establishing a major new unemployment-related program within the VA."

Not only would the new career development training program duplicate the Department of Labor's veterans employment efforts, which are substantial and are expanded under S. 1188, as reported by the Veterans' Affairs Committee, but, as I have said, there are already a number of programs in existence designed to meet the employment needs of veterans, particularly those of the Vietnam era.

First, and most importantly, there is the VA program of apprenticeship and on-the-job training for eligible Vietnam era veterans. This program, which has been rated outstanding in terms of the success of participants being placed in permanent jobs, has been streamlined and improved under the provision of S. 1188.

And under other legislation passed by the Senate this year, the period of time in which Vietnam-era veterans have to participate in the VA-OJT program would be extended for 3 full years. Let me just add that throughout the life of the VA-OJT program, nearly half a million Vietnam-era veterans have received on-the-job training, 74,000 during fiscal year 1980 alone. It is estimated that if the modifications in the VA-OJT program contained in S. 1188 are enacted, including provisions designed to mandate an increase in the VA's responsibility and effectiveness in employment-related areas, an additional 15,300 veterans would find employment through the program.

Second, the Department of Labor administers employment and job training programs for veterans under the Comprehensive Employment and Training Act. Some 3 million veterans, many of them Vietnam-era veterans, have been served by CETA over the past 7 years.

Third, the Congress, in 1978, enacted a targeted jobs tax credit under which employers may receive a tax credit of up to $3,000 for hiring individuals who are members of certain targeted groups, including low-income Vietnam-era veterans under 35 years of age. As a member of the Senate Finance Committee, I strongly supported the enactment of this tax incentive program and, most recently, have introduced legislation along with Chairman Cranston to improve the eligibility requirements for Vietnam-era veterans.

Finally, the Department of Labor administers the disabled veterans outreach program, known as D-VOP, Under this highly successful program, nearly 1,500 disabled veterans are working in State and local employment agencies providing employment assistance to disabled and Vietnam-era veterans.

Mr. President, it is my view, and that of the Veterans' Affairs Committee, that in order to address properly the very serious veterans employment problem we are now experiencing, we need not begin new, untested programs, but should, instead, seek effective implementation of the current laws and ongoing veterans' employment initiatives, some of which I have just described.

Mr. President, there is no denying that the Veterans' Affairs Committee has this year taken significant steps toward this important goal under the provisions of the pending bill and the GI Bill Amendments of 1980.

Mr. President, as I have earlier observed, the Senate earlier this year rejected the proposal embodied in the Pressler amendment. I urge my colleagues once again to vote to defeat this amendment and support the veterans employment initiatives contained in S. 1188, as reported by the Veterans' Affairs Committee.

Mr. HEINZ. Mr. President, will the Senator from California yield for two unanimous-consent requests?

Mr. CRANSTON. I yield.

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator from West Virginia (Mr. Randolph) be included as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. I would also like to yield 1 minute, if there is going to be enough time, to the Senator from South Dakota (Mr. Pressler).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. I yield 1 minute to the Senator from South Dakota

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, as a cosponsor, I rise in strong support of the amendment offered by the Senator from Pennsylvania.

This amendment will require the Veterans' Administration to publish the assumptions, standards, and criteria used in claims for disability to agent orange.

Having served in the Army in Vietnan, I am especially concerned about the effects of agent orange. This chemical, which was used as a defoliant between 1962 and 1970 in Vietnam and surrounding countryside, has been thought to cause health problems for Vietnam veterans exposed to it. I have been in touch with several veterans who feel that they have been exposed to the chemical, which has caused them great problems.

In the last 2 years, several thousand veterans have come to the VA with agent orange related diseases. Almost all veterans expressed similar symptoms, liver disorders, numbness in the extremities, and cancer. Many veterans have attempted to establish a link between birth defects in their children and exposure to agent orange. In my estimation, the VA has not dealt fairly with those who have claimed damages for exposure to the dioxin. The VA must meet its obligations in this matter: It must determine whether the agent orange claims are valid, and if they are, what compensation will go to the victims.

As previously stated, this amendment will require the Veterans' Administration to publish the assumptions, standards, and criteria used in claims for disability to agent orange. This is a good first step in coming to terms with this problem. It certainly will not solve the problem entirely, but it is a step forward.

Mr. President, I ask unanimous consent that the testimony of Christopher H. Johnson, president of Vietnam Veterans of South Dakota, Inc. be printed following my remarks. This testimony was delivered before the Veterans' Affairs Subcommittee on Medical Facilities.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY OF CHRISTOPHER H. JOHNSON

Mr. Chairman, I am privileged to appear before the Veterans' Affairs Subcommittee on Medical Facilities and Benefits to discuss the devastating effects and problems the Vietnam Veterans are dealing with on a daily basis.

At nineteen I was a machine gunner on an Armored Personnel Carrier with the 11th Armored Cavalry. I served in the Tay Ninh Province which was heavily concentrated with herbicides. At nineteen I was killing people for what I naively believed in. In March of 1970 I lost my right leg and sustained multiple fragment wounds to my left foot, left hip, right arm and also have a hearing loss all due to a confrontation with the North Vietnamese Army. I spent thirteen months at Fitzsimons Army Hospital in Denver.

Ten years later I find that while I was fighting for what I believed in, government agencies were experimenting with us and everything around. Today I can no longer be the naive person I was at nineteen years old. I can still be a patriot but I can not approve of some of my country's thoughtless actions. You took the cream of the crop for that war, look around you today, look at what has been done to that crop. The hard fighting men that were in Vietnam are withering away like the defoliated Vietnam.

While I was in Vietnam I had a respiratory problem which I reported to the medical unit. Unsurprisingly to me it is not in my medical records. I still have reoccuring respiratory problems, when I was at Fitzsimons I very vividly remember the chlorance like retention cysts that I developed. I remember the other patients lying around pulling them out of their arms and legs. I still have this embarassing problem. At that time we made no connection.

About three years ago I weighed 175 pounds, a short time later I weighed 130 pounds after having intestinal problems, loss of appetite and flu type symptoms which I still have. I went to doctors at the VA and the Air Force only to have them say nothing is wrong and send me home. Not once did they mention Agent Orange, I had to tell them and show them an article in December of 1979.

During my weight loss we conceived our second child. Nicholas was born with chromosome damage, which they tested my wife and I for, with negative results.

Nicholas had every imaginable deformity, about twenty-six in all. To list a few: club feet, deformed hands and face, a hole in his heart, his intestines were outside of his body along with his liver, cysts on his kidneys, etc. My wife and I believe in natural child birth so I was present in the delivery room. When he was delivered the nurse said, "Hurry, get the doctor" to the other nurse. Nicholas was flown four hundred miles to Denver to try to save him. What a blessing he is not here today to struggle for life as many Vietnam Veterans' children do. When I go to the VA hospital the only way to get there is to go past the National Cemetery where my son is buried. What a strange feeling to know my son is also a victim of war. The doctors can not explain why, they only say he is the worst case they have seen as they send me the medical bills.

I have started Vietnam Veterans of South Dakota to work with all the other service organizations such as the DAV, VFW, American Legion and the Vietnam Veterans organizations. The South Dakota DAV is covering my expenses out here so that I can help represent us. We are all working with veterans, helping them where the VA has failed. We are reaching out to them and letting them know someone is there who cares and will not label them a hypochondriac because my symptoms are just as real as theirs. We let them know what to expect on an Agent Orange Exam at the VA. Many veterans think they will find out if chemicals are ruining their bodies. Many find out that they are subjected to a questionnaire of nonsensible questions. Also the VA Central Office sent out memos to hospitals instructing them to only give simple reassurance that their problems are not connected to herbicides and also to make no relationship between the veterans' symptoms and Agent Orange in their medical records. It's working—they put it that way in my records.

How can the VACO even expect to learn from the Agent Orange Exam registry about our problems when the VACO instructs the local VA to discredit what a veteran complains of?

The United States sent these same questionnaires to the Repatriation Commission in Australia for their use on veterans over there. They discontinued its use because of the complaints about the questions. They report the same exact symptoms along with the same types of birth defects. But yet the U.S. government agencies and Australia are trading information so that they can keep on trying to discredit all veterans claims.

In Australia at Sydney's Royal Alexandria Hospital for Children, Dr. David Walsh, a biochemist on fetal deformities, said regarding limb deformities, "Something stinks. There is obviously something wrong. At this stage we can't say whether it is linked with Agent Orange, but to say that there is no scientific evidence showing a link is to say nothing. It just plain means we haven't done the work." Dr. Walsh examined veterans' children free of charge. Their complaints are identical to ours.

You can no longer look the other way. Our health problems are real and won't go away just as we won't go away. The men who fought in Vietnam joined in brotherhood because then it was survival that brought us together, today it is survival again.

April 15, 1970 the Surgeon General appeared before the Energy Subcommittee and announced governmental actions aimed at limiting the use of 2,4,5-T in the United States. The same day the Deputy Secretary of Defense, David Packard announced that the military would stop using Agent Orange in Vietnam. With those actions doesn't that tell you that the risks were greater than the benefits?

Also during 1970 the chemical companies were fighting the Department of Agriculture to keep the use of 2,4,5-T on rice crops on the grounds that it brought larger food yields. At the same time in 1970 the military used this chemical to destroy one-half million acres of rice crops on Vietnam. Doesn't this tell you that the severe concentrations used in Vietnam were harmful?

In pointing out concentrations I make reference to: Army TM 3-216 page 74 Section III 107 dated 1964. "These compounds are effective in killing plants when used in concentrations as low as 0.5 pound per acre. This concentration is generally nontoxic to man and animals. There are no proven defensive measures against these compounds. By the time symptoms appear nothing can be done to prevent damage."

· In reference to the: Minnesota Department of Veterans Affairs Study, Section II Application procedures used in South Vietnam. "Agent Orange was sprayed undiluted at the rate of three gallons per acre. (12 pounds of 2,4-D and 13.8 pounds of 2,4,5-T per acre.) "That is 13.3 pounds per acre more than the Army manual recommended. The Herbs Tapes show that some areas were sprayed as much as twenty-five times in just a few short months. Doesn't that sound very harmful to human health at such heavy concentrations? On one occasion there were one thousand gallons dumped on a delegation office.

If Agent Orange is so nontoxic to us, why then did the Air Force draft an Environmental Impact Statement on how to get rid of existing stocks of Agent Orange without danger to human health or the environment?

If it is no threat to man, why then in Feb. of 1972 did the Mississippi Air and Pollution Control Commission request that Agent Orange be removed from storage at Gulfport, Mississippi immediately?

The USAF OEHL Technical Report, TR-78-92 page I-2 table 4, Acres Treated shows that between 1967 and 1969 were the years when the most acres were treated.

The Agent Orange organizations who are taking questionnaires are finding that most of the men complaining of health problems, served during 1967 to 1970. That should show some relationship. Isn't it odd how the layman can find disturbing similarities? Yet part of the scientific community can not? Maude DeVictor is a layperson who could see a relationship among men and their service in Vietnam. I find it very hard to believe that anyone could write such an accurate memo without help from someone in the scientific community.

Referring back to the USAF OEHL report page I-3: In April 1970 the Secretaries of Agriculture; Health, Education, and Welfare and the Interior jointly announced the suspension of certain uses of 2,4,5-T. These suspensions resulted from studies published indicating that 2,4,5-T was a teratogen.

It also appears that Vietnam was a proving ground for herbicides. From the same report page I-2 and I-3, Brown reported "that the first shipments of Herbicides Purple and Blue was received in Vietnam the 9th of January 1962." Also the report says "Two additional phenoxy herbicide formulations were received in Vietnam in limited quantities and evaluated during the first two years of Operation Ranch Hand." These were Pink and Green. Then in 1965 two more were brought in, Orange and White. Orange replaced Purple, Pink and Green. The Air Force also conducted an experiment in Vietnam along with National Forestry Department called Pink Rose. Pink Rose was an operation where Orange and Blue were applied to kill off an area of vegetation followed with a burning off process.

If TCDD is the result of a heating process then it is possible that there was a lot of smoke filled with TCDD around from this and other fires?

In 1977 the World Health Organization's International Agency for Research on Cancer studies research papers going back twenty years. Their results were that TCDD could create serious health effects on humans:

Dermatological: Chloracne—a severe skin disease of fillicular and sebaceous glands, causing skin lesions, sebaceous cysts, blisters and pustules and eventual scarring of the skin. Susceptibility to bruising. Hyperpigmentation of the skin and abnormal body hair growth.

Internal: Liver damage-inflamed tissues, fatty changes, specialized cell degeneration, abnormal liver function, disorders of fat metabolism, disorders of carbohydrate metabolism. Heart and blood vessel disorders. Urinary tract disorders. Respiratory disorders. Pancreatic disorders.

Neurological: Polyneuropathies—a number of disease conditions of the nervous system. There may be polyneuritis, abdominal pain and mental disturbance. Lower extremity weakness. Sensorial impairments—sight, hearing smell and taste.

Psychiatric: Depressive syndromes—a state of general debility, both physical and mental. Taken from:

World Health Organization, International Agency for Research on Cancer. Monographs on the Evaulation of the Carcinogenic Risk of Chemicals to Man. Vol. 15, Lyon, August 1977.

The Armed Forces Institute of Pathology (AFIP) had a monthly report from August 15, 1979 on cases submitted from veterans and labeled, Possible Exposure to Herbicides During the Vietnam War. Page 4.

"d. of particular interest are the following:

(1) unusual or unique tumors occurring in an organ or organ system.

(2) an unusually high incidence of a tumor for a particular anatomic site.

(3) a tumor occurring at an unusually young age."

This was included in the VACO Steering Committee minutes on Herbicide Toxicity, November 15, 1979.

Why doesn't the VA print some of these results in their Public Opinion Digest? Instead they print about everything they can find to sour the VA staff on the Agent Orange issue. This type of one sided point of view effects the staff all the way down to the scheduling workers that greet you at the front doors. If you insist that the jury is still out on the the Agent Orange issue then what do you think this type publicity does to effect the veteran seeking medical attention?

In an Air Force report by Young and Thalken was the following table 16:

NUMBER OF FETUSES FOUND PER FEMALE MOUSE IN TEST AND CONTROL AREAS

Year of capture	Fetuses, control group I	Fetuses, test group II	Percent difference, groups I and II
1973	2.4	1.4	−46.6
1974	1.1	.7	−36.4

But yet Young and Thalken concluded "TCDD encountered in the field failed to induce observable developmental defects."

You can clearly see that like Barry Commoner and Robert E. Scott of the Center for the Biology of Natural Systems point out in their evaluation that, "The Air Force data include striking evidence of either a decline in fertility or an increase in fetal deaths in the TCDD exposed mouse population."

There are many animal tests in the scientific community that show numerous health effects and fetal problems. Such laboratory testing is usually accepted. It seems that many do not want to accept these results concerning heribicides. Are we going to wait for another body count of men who fought in the Vietnam War?

It is easy to see why no one will own up to the fact that we were over exposed to chemicals that are harming our health. First of all the chemical companies have too much to lose since they depend so much on all the revenue that they receive. As an example: Dow Chemical's sales of Agricultural Chemicals was $398 million in 1978 and $471 million in 1979. The majority of it being herbicides. There are chemical plants worldwide, including Australia. If the Australian government were to decide that their men were seriously effected then that would set a precedent for us in the United States or vice versa. Some members in the timber industry think they could not live without its use also. It seems that the thought pattern is that it would cost too many dollars. Does this mean that I am still naive in believing that human life is far more precious than money?

What does the veteran end up with? We wonder what happened to the phrase, "life, liberty and the pursuit of happiness." The suffering men who were once healthy and fighting hard battles are now fighting the hardest battle of all, life. Now we say, "liberty, little happiness and the pursuit of life."

In conclusion I must give you some of my very deep feelings but these feelings apply to almost every veteran, especially those of us who face life threatening health problems from chemical exposure.

We are the men who went to fight a very complicated war and the suffering and dying was just as real as in all wars. You asked us to go and we went. We are the ones who were fighting on foreign soil so we could keep the United States such a freedom loving country. You must not turn your backs on us now that we are in real need of help. We are not the ones who went to Canada for awhile, who were allowed to come back home with a guaranteed work program. They are the men that you see smiling and healthy today. We are the men who made this country such a great place to swim to, along with the other war veterans. You are not turning your backs on the Vietnamese refugees or the Cuban refugees. You are still sending monetary aid to Vietnam and allowing Cubans to take up bed spaces in VA hospitals. I do not mind them coming to our country, I would in no way want to live in their countries either.

Don't you think that it is only right to take care of the American men who supported you, first. We are natural born citizens of the United States of America. We have been reaching out for years for help. Now is the time for you to step forward and take the responsibility and appropriate action. Don't leave us with the only benefit remaining, which is the burial benefit. A lot of Vietnam veterans have already used it much too early in life. The Vietnam veteran never had the chance to enjoy growing into adulthood, now I can't enjoy growing old. The evidence and facts have been in for years, Agent Orange is a killer.

Mr. BELLMON. Mr. President, I rise in support of the Heinz, Pressler, Cranston amendment to S. 1188. This amendment will establish an administrative mechanism for resolving claims by veterans for disability based on exposure to agent orange.

Because of the problems in data collection pertaining to agent orange, determining the number of veterans who might be affected by agent orange, and the extent of diseases associated with agent orange, it is my opinion that this amendment, if approved, is a reasonable response to this issue.

The black lung program bears some disturbing similarities to the program proposed by an earlier version of this amendment. In 1977, Congress amended the Federal Coal Mine Health and Safety Act of 1969. One effect of these amendments was to require the person claiming eligibility for benefits to provide medical or other relevant evidence to show that the miner is or was totally disabled from black lung and that it resulted from coal mine work. Where there is no medical or other relevant evidence, the act permits the use of affidavits and years of coal mine employment as evidence in establishing disability.

In a recent review (dated July 28, 1980) of the effects of the 1977 amendments, GAO reported that:

"GAO's review of a random sample of 200 SSA reviewed and approved black lung claims indicated that, in 88.5 percent of the cases, medical evidence was not adequate to establish disability or death from black lung. SSA approved claims on the basis of affidavits, inconclusive medical evidence, and presumptions based on years of coal mine employment—all of which were legal under existing legislation. Projecting the results of its sample, GAO estimated that successful claimants received retroactive lump-sum payments of about $353.6 million, of which $312.0 million was for claims that were not based on adequate medical evidence of disability or death from black lung. The same claimants also receive about $79 million annually in monthly payments, of which $69.8 million was not supported by adequate medical evidence of disability or death by black lung."

No one should doubt our commitment to aid those who have been adversely affected by either black lung disease or the effects of agent orange. We must, however, be careful in the manner in which we draft such legislation. Clearly the 1977 amendments were too broadly written, allowing, it appears, almost unlimited access to this program for coal miners and their surviving dependents. Mr. President, I believe that this amendment avoids the problem of presuming the connection between an illness and exposure to agent orange.

Mr. President, on my own farm in Oklahoma, I have used and continue to use 2,4,5-T, one of herbicide orange's components. 2,4,5-T is available for such use in this country with EPA approval. I realize the amount of 2,4,5-T I use is less that one-third of the amount used in Vietnam per acre sprayed. However, the amount of 2,4,5-T actually reaching ground level in what I use in Oklahoma due to the dense jungle growth on which it was sprayed. I have seen no evidence of any diseases such as those claimed to be caused by agent orange among my family or my farm employees.

Steps are now underway in the executive branch to determine the degree of the agent orange problem:

VA is now developing a list of all Vietnam veterans who have been treated for herbicide related health problems.

The Air Force has initiated a health effects study of Air Force personnel involved in spraying agent orange in Vietnam.

The Secretary of Health and Human Services (HHS) has been directed by the Senate to perform an epidemiological study of the long-term health effects of exposure to dioxins such as agent orange.

HHS, the Environmental Protection Agency and industrial groups are studying the effects of agent orange.

Mr. President, I believe these efforts should soon provide a basis for determining whether certain diseases are caused by exposure to agent orange or not. At that time, if there is a causal connection, the administration of the Veterans' Administration can publish regulations providing disability benefits to those who meet scientifically established criteria.

Mr. DeConcini. Mr. President, I would like to record my vote as present on this amendment and on final passage of S. 1188 inasmuch as it has come to my attention that my family law firm in Tucson, Ariz., DeConcini, McDonald, Bramer, Yetwin & Lacy, is handling a number of agent orange cases.

The Presiding Officer. All time has expired on the amendment.

Mr. Cranston. Mr. President, a parliamentary inquiry.

The Presiding Officer. The Senator will state it.

Mr. Cranston. What do we vote on first?

The Presiding Officer. The first vote will be on the amendment offered by the Senator from Pennsylvania (Mr. Heinz).

Mr. Heinz. Mr. President, I ask unanimous consent that the Senator from Hawaii (Mr. Matsunaga) be added as a cosponsor.

The Presiding Officer. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Pennsylvania (Mr. Heinz.). The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DeConcini (when his name was called). Present.

Mr. Cranston. I announce that the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), and the Senator from Alabama (Mr. Stewart) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. Bradley) is absent because of death in family.

Mr. Baker. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Arizona (Mr. Goldwater), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

The Presiding Officer (Mr. Heflin). Are there any other Senators in the chamber who desire to vote?

The result was announced—yeas 86, nays 0, as follows:

[Rollcall Vote No. 387 Leg.]

Yeas—86

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Danforth
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
Melcher
Mezenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

ANSWERED "PRESENT"—1

DECONCINI

NOT VOTING—13

Armstrong
Bradley
Church
Culver
Durkin
Goldwater
Gravel
Johnston
Kennedy
Long
McGovern
Stevens
Stewart

So Mr. Heinz' amendment (UP No. 1550) was agreed to.

AMENDMENT No. 1908

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENSON. Mr. President, on this vote, I have a live pair with the Senator from New Hampshire (Mr. Durkin). I have voted "nay." If he were present and voting, he would vote "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), and the Senator from Alabama (Mr. Stewart) are necessarily absent.

I also announce that the Senator from New Jersey (Mr. Bradley) is absent because of death in family.

Mr. BAKER. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Arizona (Mr. Goldwater), and the Senator from Alaska (Mr. Stevens) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 35, nays 51, as follows:

[Rollcall Vote No. 388 Leg.]

YEAS—35

Baker
Baucus
Biden
Boren
Boschwitz
Bumpers
Chafee
DeConcini
Dole
Garn
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Kassebaum
Laxalt
Leahy
Levin
Magnuson
Mathias
Melcher
Metzenbaum
Mitchell
Morgan
Pell
Pressler
Riegle
Sarbanes
Schweiker
Tsongas
Warner
Weicker
Young

NAYS—51

Bayh
Bellmon
Bentsen
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cochran
Cohen
Cranston
Danforth
Domenici
Durenberger
Eagleton
Exon
Ford
Glenn
Hart
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Lugar
Matsunaga
McClure
Moynihan
Nelson
Nunn
Packwood
Percy
Proxmire
Pryor
Randolph
Ribicoff

Roth
Sasser
Schmitt
Simpson
Stafford
Stennis
Stone
Talmadge
Thurmond
Tower
Wallop
Williams
Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stevenson, against.

NOT VOTING—13

Armstrong
Bradley
Church
Culver
Durkin
Goldwater
Gravel
Johnston
Kennedy
Long
McGovern
Stevens
Stewart

So the amendment (No. 1906) was rejected.

Mr. Cranston. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. Simpson. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. Glenn. Mr. President, I want to commend the committee and its chairman, Senator Cranston, for the effort that has gone into this legislation to improve and expand upon the vocational rehabilitation program for veterans with service-related disabilities.

This is important legislation. It is important because there is no better measure of a nation than how it treats those who bear the wounds of service. It is important for these veterans to be able to achieve a maximum degree of employment and independence.

Mr. President, I also want to commend Senator Cranston and the committee for including in the committee's amendments to S. 1188 my suggestion to permit new, State-supported medical schools receiving assistance from the Veterans' Administration under Public Law 92-541 an additional 12 months in which to expend currently existing and awarded grants used to support faculty salaries. This amendment, which does not involve any additional authorization, is going to be most helpful to the School of Medicine at Wright State University in Dayton, Ohio—the first such college to benefit from the program for the establishment of new, State medical schools.

Dr. John R. Beljan, vice president for health affairs of Wright State University and dean of the school of medicine, has assured me that this simple authority to carry over remaining grant programs beyond the presently scheduled June 30, 1981, termination date for the school's award will significantly lessen the impact of the loss of the grant funds on its operating budget.

Mr. Humphrey. Mr. President, I urge my colleagues to support S. 1188, the Disabled Veterans Rehabilitation Act of 1980. This bill contains an overdue cost-of-living adjustment for the GI bill as well as provisions to strengthen the vocational rehabilitation programs for veterans. Needed revisions of the GI bill's on-the-job training program and the creation of an outreach employment program are also included.

The Senate Veterans' Affairs Committee recognizes that while great strides have been made in assisting the disabled veteran through vocational rehabilitation programs, training alone does not make a disabled veteran employable. This bill provides for the followthrough necessary to help the disabled veteran complete the transition to useful civilian employment.

Testimony before the Veterans' Affairs Committee has confirmed that many disabled veterans are enrolling in GI bill programs even when vocational rehabilitation programs are more appropriate to their needs. This occurs simply because the GI bill subsistence rate is higher. S. 1188 addresses this problem of disincentives by equalizing the rates.

Since October 1977, the cost of living has jumped 30 percent while GI bill benefits have remained stationary. It is time to restore those well-deserved benefits that inflation is stealing away. The modest 10 percent COLA begins to do that.

Passage of this bill will demonstrate to the veteran that the Senate has not forgotten the commitment made by a grateful Nation to those who have given so much in the service of their country. I trust my colleagues will join me in support of this bill.

Mr. Levin. Mr. President, I support Senator Pressler's amendment to S. 1188. There seems to be little question as to the difficulty that many Vietnam theater veterans have in becoming a permanent part of the work force. This amendment will provide these veterans with a program which will provide financial incentives to private sector employers to hire, train, and advance these veterans.

In January 1980, during the consideration of the GI bill amendments, Senators Heinz and Pressler offered separate, but similar amendments to aid the Vietnam veteran. At that time I supported Senator Heinz' amendment because the assistance it furnished was less costly on a per veteran basis. At this time the Senate only has one amendment before it and Senator Heinz has cosponsored it.

There were 2.7 million Americans who served in Vietnam. Many of them have taken advantage of the GI bill, but many have not. Some of those who have not used the GI bill would be able under this amendment to use their entitlement to get needed training and employment. In Michigan, the unemployment rate is over 14 percent and among those unemployed are countless young people who served in Vietnam and have had problems getting training and employment. This measure will encourage employers to give these persons an opportunity.

I encourage my colleagues to support this amendment.

* * * * * *

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is. Shall the bill (S. 1188), as amended, pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. DECONCINI (when his name was called). Present.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Culver), the Senator from New Hampshire (Mr. Durkin), the Senator from Alaska (Mr. Gravel), the Senator from Louisiana (Mr. Johnston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern) and the Senator from Alabama (Mr. Stewart) are necessarily absent.

I also announce the Senator from New Jersey (Mr. Bradley) is absent because of death in the family.

I further announce that, if present and voting, the Senator from New Jersey (Mr. Bradley) would vote "yea."

Mr. BAKER. I announce that the Senator from Colorado (Mr. Armstrong), the Senator from Arizona (Mr. Goldwater) and the Senator from Alaska (Mr. Stevens) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 0, as follows:

[Rollcall Vote No. 389 Leg.]

YEAS—86

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Danforth
Dole
Domenici
Durenberger
Eagleton
Exon
Ford

Garn
Glenn
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure

Melcher
Metzenbaum
Mitchell
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson

Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

ANSWERED "PRESENT"—1

DeConcini

NOT VOTING—13

Armstrong
Bradley
Church
Culver
Durkin
Goldwater
Gravel
Johnston
Kennedy
Long
McGovern
Stevens
Stewart

So the bill (S. 1188) was passed, as follows:

S. 1188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Disabled Veterans Rehabilitation Act of 1980".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—REHABILITATION AMENDMENTS

Sec. 101. (a) Chapter 31 is amended to read as follows:

"CHAPTER 31—TRAINING AND REHABILITATION FOR SERVICE-CONNECTED DISABLED VETERANS

"Sec.
"1500. Purpose.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Periods of eligibility.
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"§ 1500. Purpose

"The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living, and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

"§ 1501. Definitions

"For the purposes of this chapter—

"(1) The term 'independence in daily living' means the ability of a veteran, without the services of others or with a reduced level of the services of others, to live and function within such veteran's family and community.

"(2) The term 'medical condition' means a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities of a veteran.

"(3) The term 'program of education' has the meaning provided in section 1652(b) of this title.

"(4) The term 'program of independent living services and assistance' includes both (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in daily living, including, but not limited to, such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in daily living, and (B) the assistance authorized by this chapter for such veteran.

"(5) The term 'rehabilitated to the point of employability' means rendered employable in the occupation for which a vocational rehabilitation program has been provided under this chapter.

"(6) The term 'rehabilitation program' means (A) a vocational rehabilitation program, or (B) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be reasonably feasible.

"(7) The term 'serious employment handicap' means a significant impairment of an individual's ability to prepare for, obtain, or retain employment consistent with such individual's abilities, aptitudes, and interests.

"(8) The term 'vocational goal' means a gainful employment status that is consistent with an individual's abilities, aptitudes, and interests.

"(9) The term 'vocational rehabilitation program' includes both—

"(A) the services provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including, but not limited to, such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed—

"(i) in the case of a veteran for whom the achievement of a vocational goal has not been determined not to be reasonably feasible, (I) to determine whether a vocational goal is reasonably feasible, (II) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (III) to enable such veteran to achieve maximum independence in daily living, and

"(ii) in the case of a veteran for whom the achievement of a vocational goal is determined to be reasonably feasible, to enable such veteran to become, to the maximum extent feasible, employable and to obtain and maintain suitable employment, and

"(B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.

"§ 1502. Basic entitlement

"An individual veteran shall be entitled to rehabilitation under the terms and conditions of this chapter if such individual—

"(1) is a veteran who has a service-connected disability which is, or but for the receipt of retirement pay would be, compensable under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; or

"(2) is, pending discharge or release from active military, naval, or air service, hospitalized in a hospital over which the Secretary of Defense has jurisdiction.

"§ 1503. Periods of eligibility

"(a) Unless a longer period of eligibility is authorized pursuant to subsection (b), (c), or (d) of this section, educational assistance or rehabilitiation may not be afforded to a veteran under this chapter after the end of the ten-year period beginning on the date of such veteran's discharge or release.

"(b)(1) If the Administrator determines that a veteran has been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because a medical condition made it infeasible for such veteran to participate in such a program, the ten-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.

"(2) If the Administrator determines that a veteran had been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because (A) such veteran had not met the requirement of a discharge or release under conditions other than dishonorable before (i) a change, correction, or modification of a discharge or dismissal made pursuant to section 1553 of title 10, (ii) a correction of the military records of the service department concerned under section 1552 of title 10, or (iii) other corrective action by competent authority, or (B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar to such benefits, the ten-year period of eligibility shall run from the date on which such veteran's discharge or dismissal was so changed, corrected, or modified or the Administrator made such determination, as appropriate.

"(3) If the Administrator determines that a veteran had been prevented from entering or completing a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability which is compensable under chapter 11 of this title and such veteran has a serious employment handicap, vocational rehabilitation may be afforded such veteran during the ten-year period beginning on the date of which notification is mailed to such veteran that it has been determined that such disability exists.

"(c) A veteran who is in need of services to overcome a serious employment handicap may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines that an extension of the applicable period of eligibility is necessary for such veteran based upon such veteran's particular employment handicap and need for such services and if—

"(1) such veteran had not previously been rehabilitated under this chapter;

"(2) such veteran had previously been rehabiliated under this chapter but (A) such need for such services has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran previously received vocational rehabilitation under this chapter, or (B) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities; or

"(3) the Administrator determines, under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to carry out the purposes of this chapter.

"(d) A veteran whose disability or disabilities are so severe that the achievement of a vocational goal by such veteran is determined not to be reasonably feasible may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator determines that an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence in daily living.

"§1504. Scope of services and assistance

"(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe, shall include—

"(1) evaluation, including periodic reevaluations as appropriate with respect to a veteran participating in a rehabilitation program, of the potential for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veterans' disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services to improve the vocational rehabilitation potential or independent living status of such veterans, as appropriate;

"(2) educational, vocational, psychological, employment, and personal adjustment counseling;

"(3) an allowance and other appropriate assistance, as authorized by section 1508 of this title;

"(4) a work-study allowance as authorized by section 1685 of this title;

"(5) placement services to effect suitable placement in employment, and post-placement services to attempt to assure satisfactory adjustment in employment;

"(6) personal adjustment and work adjustment training;

"(7) vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case;

"(8) loans as authorized by section 1512 of this title;

"(9) treatment, care, and services described in chapter 17 of this title;

"(10) prosthetic appliances, eyeglasses, and other corrective and assistive devices;

"(11) services to a veteran's family as necessary for the effective rehabilitation of such veteran;

"(12) for the most severely disabled veterans requiring homebound training or self-employment, or both homebound training and self-employment, such license fees and essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the furnishing of such fees, equipment, supplies, and stocks;

"(13) travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses suring rehabilitation, job seeking, and the initial employment stage;

"(14) special services related to blindness and deafness, such as—

"(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

"(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

"(C) telecommunications, sensory, and other technical aids and devices; and

"(15) services necessary to enable a veteran to achieve maximum independence in daily living.

"(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796).

"(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

"§ 1505. Duration of rehabilitation programs

"(a) The period of extended evaluation under section 1506(b) of this title for a veteran for whom the reasonable feasibility of achieving a vocational goal is undetermined may not exceed twelve months, except that such period may be extended for additional periods of up to six months each if the Administrator determines that, during the extended period concerned, it is reasonably likely that a determination can be made with respect to such veteran as to whether achievement of a vocational goal is reasonably feasible.

"(b) Except as provided in subsection (c) of this section, the period of a vocational rehabilitation program for a veteran under this chapter following a determination of the reasonable feasibility of achieving a vocational goal may not exceed forty-eight months, except that, in the case of a veteran who is determined to have a serious employment handicap, the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be provided for an additional period not to exceed eighteen months.

"(c) In the case of a veteran who has been determined to have a serious employment handicap, the Administrator may extend the period of vocational rehabilitation for such veteran to the extent necessary to enable such veteran to achieve a vocational goal if—

"(1) such veteran had previously been rehabilitated to the point of employability under this chapter but (A) such veteran's need for further vocational rehabilitation has developed from, or as a result of, a change in such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran had been so rehabilitated, or (B) the occupation for which such veteran had been so rehabilitated was not appropriate in view of such veteran's employment handicap and abilities; or

"(2) the Administrator determines, under regulations which the Administrator shall prescribe, that such an extension is necessary to carry out the purposes of this chapter.

"(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial increase in a veteran's level of independence in daily living, the period of a program of independent living services and assistance for a veteran under this chapter following a determination that such veteran's disability or disabilities are so severe that the achievement of a vocational goal is not reasonably feasible may not exceed twenty-four months.

"§ 1506. Initial and extended evaluations; determinations regarding serious employment handicap

"(a) A veteran with a service-connected disability who applies for benefits under this chapter shall be provided with an initial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary to determine whether such veteran has a serious employment handicap and to determine, if reasonably feasible without extended evaluation, whether the achievement of a vocational goal is reasonably feasible for such veteran.

"(b) Where the Administrator has determined that a veteran has a serious employment handicap and that the achievement of a vocational goal is reasonably feasible for such veteran, such veteran shall be provided counseling in accordance with an individualized written plan of vocational rehabilitation developed under section 1507 (a) of this title.

"(c) Where the Administrator has determined that a veteran has a serious employment handicap but the Administrator is unable to determine, in an initial evaluation pursuant to subsection (a) of this section, whether or not the achievement of a vocational goal is reasonably feasible, such veteran shall be provided with extended evaluation consisting of the services described in section 1504(a)(1) of this title, such services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed, to achieve a vocational goal and enable such veteran to achieve maximum independence in daily living, and assistance as authorized by section 1508 of this title.

"(d) As expeditiously as possible (and, if applicable, not later than the end of the period of extended evaluation for a veteran under subsection (c) of this section, including any extensions under section 1505(a) of this title), the Administrator shall determine whether the achievement of a vocational goal by such veteran is reasonably feasible. In determining whether the achievement of a vocational goal is reasonably feasible, the Administrator shall resolve any reasonable doubt in favor of determining that such achievement is reasonably feasible.

"(e) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of all services (including employment assistance under section 1517 of this title) and assistance under this chapter to such veteran.

"§ 1507. Individualized vocational rehabilitation plan

"(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(b) of this title. Such plans shall be developed jointly with such veteran, and shall include, but not be limited to (1) a statement of long range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services (which shall include counseling in all cases) and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved, and (5) the name and business address and telephone number of the Veterans' Administration employee assigned responsibility for the management and followup of the provision of such services and assistance to such veteran.

"(b) The Administrator shall review at least annually the plan formulated under subsection (a) of this section for a veteran, and such veteran shall be afforded the opportunity to participate in each review of such plan. Based on such review, the Administrator shall, jointly with such veteran, redevelop such plan as appropriate.

"(c) Prior to agreeing to a plan under subsection (a) of this section or to any redevelopment or denial of redevelopment of a plan under subsection (b) of this section, a veteran shall be informed of such veteran's opportunity for a review as set forth in the following sentences. If a veteran does not agree to such plan, redevelopment, or denial of redevelopment, such veteran may submit to the person described in subsection (a)(5) of this section a written statement, prepared by or for such veteran, containing such veteran's objections to such plan and requesting a review of the plan as proposed. The Administrator shall review such statement and the plan as proposed and render a decision on such review not later than ninety days after the date on which such veteran so submits such statement, unless a longer period, not to exceed one hundred and fifty days, is allowed for rendering such decision in certain cases under regulations of the Administrator.

"§ 1508. Allowances

"(a)(1) Except for a veteran who makes an election under subsection (f) of this section, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of such veteran's participation under this chapter in (A) extended evaluation, or (B) a rehabilitation program.

"(2) A veteran who is determined to have a serious employment handicap and who is determined, at the conclusion of such veteran's pursuit of a program of vocational rehabilitation under this chapter, to be rehabilitated to the point of employability shall be paid a subsistence allowance, as prescribed in this section for full-time training for the type of program that the veteran was pursuing, for two months following the conclusion of such pursuit.

"(b) Except as otherwise provided in this section, the subsistence allowance paid to a veteran under this chapter shall be determined in accordance with the following table, and shall be the monthly amount shown in column, II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$265	$328	$386	$29
Three-quarter-time	199	246	289	21
Half-time	132	164	194	14
Farm cooperative, apprentice, or other on-job training: Full-time	231	279	322	21
Extended evaluation: Full-time	265	328	386	29
Independent living training:				
Full-time	265	328	386	29
Three-quarter-time	199	246	289	21
Half-time	132	164	194	14".

"(c)(1) If the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid by the employer to such veteran for such month, directly or indirectly. Based upon such written statement, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just in accordance with criteria which the Administrator shall establish in regulations which the Administrator shall prescribe.

"(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1516(a)(1) of this title without pay or for nominal pay shall be paid the appropriate subsistence allowance rate provided in subsection (b) of this section for an institutional program.

"(d)(1) The Administrator shall, in accordance with regulations, which the Administrator shall prescribe, not inconsistent with regulations governing the determination of full-time status and part-time status under chapter 34 of this title, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

"(2) A veteran participating in extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

"(e) In the case of a veteran pursuing a rehabilitation program on a full-time residential basis in a specialized rehabilitation facility, the Administrator may, upon the request of such veteran, (1) pay to such facility the cost of such veteran's room and board in lieu of payment to such veteran of the subsistence allowance (not including any portion payable for any dependents) payable under subsection (b) of this section, and (2) pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

"(f) To the extent that a veteran who is determined to be entitled to rehabilitation under this chapter has remaining eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, as part of a vocational rehabilitation program under this chapter but in lieu of the services and assistance described in section 1504(a)(3) (other than an allowance and other assistance under this subsection) and section 1504(a) (7) and (8) of this title, to pursue an approved program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under chapter 34 of this title, if the Administrator approves the educational, professional, or vocational objective chosen by such veteran for such program. In the event that such veteran makes such an election, the terms and conditions applicable to the pursuit of a comparable program of education and the payment of allowances and provision of assistance under such chapter shall be applied to the pursuit of the approved program of education under this chapter.

"(g)(1) Notwithstanding any other provision of this title, the subsistence allowance for a veteran who is pursuing a rehabilitation program under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be paid as follows:

"(A) If such a veteran has no dependents, the Administrator shall withhold such allowance while such veteran is so incarcerated and pay such allowance to such veteran upon such veterans' release from prison or jail or, at the request of such veteran, purchase with such allowance, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran has one or more dependents, the Administrator shall pay such allowance to such veteran's dependent or dependents (or the legal guardian or guardians thereof) designated by such veteran to receive such allowance, but only to the extent that both the veteran and the designated dependent or dependents (or the legal guardians or guardians thereof) so request. To the extent that such veteran does not request the Administrator to pay to a particular dependent of such veterans an amount payable on account of such dependent or such dependent does not join in such request, the amount involved shall not be paid to or accrued by such veteran. The Administrator shall, while such veteran is so incarcerated, withhold any amount of such allowance, not payable on account of a dependent or dependents, that is accrued by such veteran and shall pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such amount, and held for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this subsection shall not apply in the case of any veteran who is pursuing a rehabilitation program under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(h)(1) Notwithstanding any other provision of this title, the allowance for a veteran who has made an election under subsection (f) of this section and who is pursuing an institutional program of education under this chapter while incarcerated in a Federal, State, county, or local prison or jail, shall be computed and paid as follows:

"(A) If such veteran is pursuing a program of education on a half-time or more basis and has no dependents, the Administrator shall pay such veteran such amount, not in excess of the appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program. The Administrator shall withhold any amount in excess of such cost and pay such amount to such veteran upon such veteran's release from prison or jail or, at the request of such veteran, purchase with such excess amount, and hold for such veteran, United States Government securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(B) If such veteran is pursuing a program of education on a half-time or more basis and has one or more dependents, the Administrator shall pay such veteran such amount, not in excess of such appropriate rate, as is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans pursuing the same program; and the Administrator shall pay any amount in excess of such cost to such veteran's dependent or dependents (or legal guardian or guardians thereof) designated by such veteran to receive such excess amount, but only if both the veteran and the designated dependent or dependents (or legal guardian or guardians thereof) so request. To the extent that such veteran does not request the Administrator to pay to a particular dependent of such veteran an amount payable on account of such dependent or such dependent does not join in such request, the amount involved, if not payable to such veteran under the first sentence of this paragraph, shall not be paid to or accrued by such veteran. The Administrator shall pay any excess amount accrued by such veteran to such veteran upon such veteran's release from prison or jail, or, at the request of such veteran, purchase with such excess amount, and hold securities and deliver them to such veteran upon such veteran's release from prison or jail.

"(2) The provisions of paragraph (1) of this situation shall not apply in the case of any veteran who is pursuing a program of education under this chapter while placed and residing in a halfway house or while participating in a work-release program.

"(1) Notwithstanding any other provision of this title, in the case of a veteran pursuing a rehabilitation program while receiving care in a Veteran's Administration hospital, nursing home, or domiciliary facility, or in a facility with which the Administrator, under the provisions of chapter 17 of this title, has contracted for such veteran's care at Veterans' Administration expense, the subsistence or (if such veteran has made an election under subsection (f) of this section) other allowance appropriate for the type of training pursued shall, after such veteran has been receiving such care for thirty days, accrue and be withheld (and converted to securities), paid to dependents and paid to such veteran upon discharge from such facility under the same terms and conditions set forth in subsection (g) or (h) of this section, as appropriate, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowance payments as are determined to be necessary to meet continuing financial obligations of such veteran.

"(j) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

"§ 1509. Entitlement to independent living services and assistance

"Where the Administrator has determined under section 1506(d) of this title that the achievement of a vocational goal by a veteran is not reasonably feasible, such veteran shall be entitled, pursuant to the provisions of section 1520 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in daily living.

"§ 1510. Leaves of absence

"The Administrator shall prescribe such regulations as the Administrator determines necessary for granting leaves of absence to veterans pursuing rehabilitation programs under this chapter. During authorized leaves of absence, a veteran shall be considered to be pursuing such program.

"§ 1511. Regulations to promote satisfactory conduct and cooperation

"The Administrator shall prescribe such rules and regulations as the Administrator determines necessary to promote satisfactory conduct and cooperation on the part of veterans who are pursuing rehabilitation programs under this chapter. If a veteran fails to maintain satisfactory conduct or cooperation, the Administrator may, after determining that all reasonable counseling efforts have been made and are not reasonably likely to be effective, discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstate such services and assistance only if the Administrator determines that—

"(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

"(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

"§ 1512. Revolving funds loans

"The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of twice the amount of the full-time institutional monthly subsistence allowance for a veteran with no dependents, as set forth in section 1508(b) of this title, to veterans pursuing rehabilitation programs under this chapter. Such advances, and advances from such fund made before the effective date of the Disabled Veterans Rehabilitation Act of 1980, shall bear no interest and shall be repaid in such installments, as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

"§ 1513. Books, supplies, and equipment

Any books, supplies, or equipment furnished a veteran under this chapter shall be deemed released to such veteran, except that if the Administrator determines that, because of fault on such veteran's part, such veteran has failed to complete the course involved, the Administrator may require such veteran to return any or all of such books, supplies, or equipment not actually expended, or to repay the reasonable value thereof. Such books, supplies, and equipment may be turned in to educational or training institutions for credit under such terms as may be approved by the Administrator, or may be disposed of in such other manner as the Administrator may determine.

"§ 1514. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

"(a) Services and assistance may be provided under this chapter to an individual who is hospitalized pending discharge from active military, naval, or air service if such individual would be eligible for such services and assistance except for the fact that such individual has not been discharged or released from such service. In such cases, no subsistence allowance shall be paid.

"(b) Services and assistance may be provided under this chapter to a veteran who is receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in any other hospital or medical facility.

"§ 1515. Vocational rehabilitation outside the United States

"Pursuant to regulations which the Administrator shall prescribe, a program of vocational rehabilitation under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

"§ 1516. Rehabilitation resources

"(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program without pay or for nominal pay when the Administrator determines that such training or work experience is necessary to accomplish such veteran's rehabilitation;

"(2) use the facilities, staff, and other resources of the Veterans' Administration;

"(3) employ such additional personnel and experts as the Administrator considers necessary; and

"(4) use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

"(b)(1) While pursuing on-job training or work experience under clause (1) of subsection (a) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

"(2)(A) Use of facilities, staff, and other resources of the Department of Medicine and Surgery under clause (2) of subsection (a) of this section, to provide rehabilitation services under this chapter, including hospital care and medical services described in chapter 17 of this title, shall, as provided for in a veteran's individualized written plan under section 1507 or 1520(a) of this title, be procured through contract with such department; and the amounts of payments for such services shall be determined in accordance with current accounting principles used within such department, subject to review and modification by the Administrator with respect to the reasonableness of proposed charges.

"(B) Except as provided in chapter 17 of this title, hospital care and medical services provided under this chapter shall be furnished in facilities over which the Administrator has direct jurisdiction.

"(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall be procured through contract, agreement, or other cooperative arrangement.

"§ 1517. Employment assistance

"(a) A veteran with a service-connected disability who has participated in a vocational rehabilitation program under this chapter of a similar program under the Rehabilitation Act of 1973 and who is determined to be employable shall be furnished assistance (including any assistance necessary to assure that such veteran receives the benefit of any applicable provisions of law or regulation providing for special consideration or emphasis or preference for such veteran in employment or training) in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap. Such assistnce may include (1) direct placement of such veteran in employment, (2) utilization of the services of United States employment and training outreach program specialists under section 2003A of this title, and (3) utilization of the job development and placement services of (A) programs under the Rehabilitation Act of 1973, (B) the State employment service and the Veterans' Employment Service of the Department of Labor, (C) the Office of Personnel Management, and (D) and other public or nonprofit organization having placement services available. To the extent that resources are available, a veteran without a service-connected disability who has participated in such a similar program and who is determined to be employable may be furnished the assistance described in the preceding sentence.

"(b)(1) If a veteran has completed vocational rehabilitation for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

"(2) The Administrator may, under the terms and conditions set forth in clause (12) of section 1504(a) of this title, furnish a veteran described in such clause who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise such supplementary equipment and initial stocks and supplies as are determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

"(c) The Administrator shall prescribe regulations, with the concurrent of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. subch. V) and section 2012 of this title, and regulations prescribed thereunder, to authorize payments to be made to employers for providing on-job training to veterans who have been rehabilitated to the point of employability in individual instances where the Administrator determines that such payment is necessary to obtain the needed on-job training or to begin employment. Such payments shall not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity. If any such veteran participates in such on-job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for an entitlement to such allowance, be paid such allowance.

"§ 1518. Personnel training, development, and qualification

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter. The objective of such training shall be to assure that rehabilitation services for disabled veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

"(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education and the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor in planning and carrying out personnel training in areas of mutual programmatic concern.

"(c) Notwithstanding any other provision of law, the Administrator shall establish such qualifications for psychologists providing evaluation and rehabilitation services to veterans under this chapter and for employees performing the functions described in section 1506(f) of this title as the Administrator determines are necessary and appropriate to assure the quality of rehabilitation programs under this chapter. In establishing such qualifications, the Administrator shall take into account the provisions of section 4105(a)(10) of this title and the qualifications established for comparable personnel under the Rehabilitation Act of 1973 (29 U.S.C. ch. 16).

"§ 1519. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

"(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

"(2) projects which are designed to increase the resources and potential for accomplishing the rehabilitation of disabled veterans.

"(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education, the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

"§ 1520. Pilot program of independent living services and assistance

"(a) During fiscal years 1982 through 1985, the Administrator is authorized to contract with public or nonprofit agencies (including contracting for services under section 1516(b)(2) of this title) with a demonstrated capacity to conduct programs of independent living services for severely handicapped persons to provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter in various geographical regions, to veterans as to whom it is determined that the achievement of vocational goals is not reasonably feasible, who are selected pursuant to criteria prescribed in such regulations, and who have remaining entitlement and periods of eligibility for rehabilitation under this chapter. The Administrator shall, to maximum extent feasible, include in such program substantial numbers of such veterans receiving long-term care in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans. A program of independent living services and assistance for a veteran shall consist of such services described in section 1504 (a) and (b) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in daily living. Such veteran shall have the same rights with respect to an individualized written plan of services and assistance as are afforded veterans participating in vocational rehabilitation under section 1507 of this title. Any contract for services that are initiated with respect to any veteran prior to the end of fiscal year 1985 may be continued in effect after the end of fiscal year 1985 for the purposes of providing services and assistance to such veteran in accordance with the provisions of this chapter. Programs of independent living services and assistance shall be initiated for no more than five hundred veterans in each of the fiscal years 1982 through 1985, and the first priority in the provision of such programs shall be afforded to veterans for whom the reasonable feasibility of achieving a vocational goal is precluded solely as a result of a service-connected disability.

"(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the programs of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

"(1) the results of a study which the Administrator shall conduct of the accomplishments and cost-effectiveness of such programs, including the extent to which (A) such programs have met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in daily living as a result of participation in the programs, and (C) costs of care in hospital, and nursing home, and domiciliary facilities have been and may be avoided as the result of such services; and

"(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living services and assistance to veterans for whom the achievement of a vocational goal is not feasible.

"§ 1521. Veterans' Advisory Committee on Rehabilitation

"(a) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the 'Committee'). The members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not to exceed three years. Service-connected disabled veterans shall constitute not less than one-half of the membership of the Committee and the Committee shall also include individuals who have distinguished themselves in both the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the members of the Committee as the chairperson of the Committee. The Committee shall also include representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits, of the Commissioner of the Rehabilitation Services Administration and of the Director of the National Institute for Handicapped Research in the Department of Education, of the Deputy Assistant Secretary for Veterans' Employment in the Department of Labor, and of the Secretary of Health and Human Services.

"(b) The Administrator shall advise and consult with the Committee on a regular basis with respect to the administration of veterans' rehabilitation programs under this title.

"(c) The Committee, shall submit to the Administrator and the Congress an annual report on the rehabilitation programs and activities of the Veterans' Administration, and shall submit such other reports or recommendations to the Administrator and the Congress as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs.

"§ 1522. Evaluation after individual unemployability adjudications

"Following the adjudication of a claim under chapter 11 of this title of any veteran for total disability on the basis of such veteran's individual unemployability resulting from service-connected disability, the Administrator shall provide for a comprehensive diagnostic evaluation by Veterans' Administration employees responsible for such evaluations under this chapter when, in the opinion of the Administrator, there exists a potential for the vocational rehabilitation and employment of such veteran.".

(b) The items relating to chapter 31 in the table of chapters at the beginning of title 38, United States Code, and at the beginning of part III of such title, are amended to read as follows:

"31. Training and Rehabilitation for Service-Connected Disabled Veterans .... 1500".

TITLE II—EMPLOYMENT AND EDUCATION AMENDMENTS

SEC. 201. Section 220 is amended by—

(1) amending the catchline by inserting "and promotion" after "Coordination";

(2) inserting after "title" a comma and "and shall actively promote the effective implementation, enforcement, and application of all provisions of law and regulations providing for special consideration, emphasis, or preference relating to employment, training, and other related opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans; taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title"; and

(3) amending the table of sections at the beginning of chapter 3 by amending the item relating to section 220 by inserting "and promotion" after "Coordination".

SEC. 202. Section 244 is amended by inserting after "Administration" in clause (1) a comma and "and, in cooperation with the Secretary, actively seek to promote the development and establishment of employment, training, and other opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphasis set forth in chapter 42 of this title".

SEC. 203. Section 1652 is amended by—

(1) inserting after "chapter" the first time it appears "and chapter 36 of this title";

(2) striking out in subsection (e) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The";

(3) striking out in subsection (f) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The"; and

(4) striking out in subsection (g) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The".

SEC. 204. Section 1701(a) is amended by—

(1) inserting after "chapter" the first time it appears "and chapter 36 of this title";

(2) striking out in paragraph (9) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The";

(3) striking out in paragraph (10) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The"; and

(4) striking out in paragraph (11) "For the purposes of this chapter and chapter 36 of this title, the" and inserting in lieu thereof "The".

SEC. 205. Section 1772 is amended by adding after subsection (c) the following new subsection:

"(d) The Administrator shall be responsible for the approval of all programs of training on the job other than those described in subsection (c) of this section (including apprenticeship programs), and shall exercise this responsibility directly or through agreements with non-Veterans' Administration sources, including those described in section 1771(a) of this title. Pursuant to regulations jointly prescribed by the Administrator and the Secretary of Labor, the Administrator shall actively promote the development of programs of training on the job (including programs of apprenticeship) for the purposes of sections 1777 and 1787 of this title and shall utilize the services of veterans' employment and training outreach program specialists under section 2003A of this title to promote the development of and, as appropriate, approve such programs.".

SEC. 206. Section 1777 is amended by—

(1) amending subsection (a) by—

(A) striking out "Any State approving agency may approve a" and inserting in lieu thereof "A";

(B) inserting "may be approved" after "apprenticeship)";

(C) striking out "it finds that"; and

(D) Striking out "subsections (b) and (c)" and inserting in lieu thereof "subsection (b)";

(2) amending subsection (b) to read as follows:

"(b) The Administrator, after consultation with the Secretary of Labor, shall prescribe regulations specifying criteria for the approval of programs of training on the job (including registered and nonregistered apprenticeship training meeting the standards of apprenticeship published by the Secretary pursuant to section 50a of title 29) in order to carry out the provisions of subection (a) of this section and to assure the appropriateness of the training provided in meeting the purposes of chapters 34 and 35 of this title. Such criteria for a program of training on the job (other than a program of apprenticeship) shall include a certification that—

"(1) the training content and procedures of the course are adequate to qualify the eligible veteran or person for appointment to the job for which such veteran or person is to be trained;

"(2) the wages to be paid the eligible veteran or person (A) upon entrance into training are not less than wages paid nonveterans in the same training position and are at least 50 per centum of the wages paid for the job for which the veteran or person is to be trained, and (B) will be increased in regular periodic increments until, not later than the last full month of the training period, they will be at least 85 per centum of the wages paid for the job for which such veteran or person is being trained;

"(3) there is reasonable certainty that the job for which the eligible veteran or person is to be trained will be available to such veteran or person at the end of the training period; and

"(4) the job customarily requires full-time training for a period of not less than three months and the length of the training period is not longer than that customarily required by training establishments in the community."; and

(3) striking out subsection (c) in its entirety.

SEC. 207. Section 1787(a) is amended to read as follows:

"(a) An eligible veteran or an eligible person shall be paid a training assistance allowance as prescribed by subsection (b) of this section while pursuing a full-time program of training on the job (including a program of apprenticeship) approved under section 1777 of this title, subject to the conditions and limitations set forth in chapters 34 and 35 with respect to educational assistance.".

SEC. 208. Section 2003 is amended by inserting after "veterans' employment representative" the first time it appears "(and shall assign full-time clerical support to each such representative)".

SEC. 209. (a) Chapter 41 is amended by inserting between sections 2003 and 2004 the following new section:

"§ 2003A. Veterans' Employment and Training Outreach Program

"(a)(1) The Secretary of Labor shall make available to each State, directly or by grant or contract, such funds as may be necessary to support a program of employment and training outreach designed to meet the employment needs of veterans, especially disabled veterans of the Vietnam era. Funds provided to a State shall be sufficient to support the assignment of one veterans' employment and training outreach program specialist for each 5,300 Vietnam-era and disabled veterans residing in such State. Such specialist shall be a veteran, and shall be a disabled Vietnam-era veteran or disabled veteran unless the Secretary finds that a disabled Vietnam-era or disabled veteran is not available, and shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State concerned. Such additional funds as may be necessary to support the reasonable expenses of such specialists for training, travel, supplies, and fringe benefits shall also be made available by the Secretary to the State.

"(2) Specialists assigned pursuant to paragraph (1) of this subsection shall be in addition to and shall not supplant employees assigned to local employment service offices pursuant to section 2004 of this title.

"(b) Pursuant to regulations prescribed by the Secretary, veterans' employment and training outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for services as follows: to disabled Vietnam-era veterans who are participating in or have completed a program of vocational rehabilitation under chapter 31 of this title; to other disabled veterans; and to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphasis set forth in chapter 42 of this title. Maximum emphasis shall be placed on assisting economically or educationally disadvantaged veterans. Not more than three-quarters of the veterans' employment and training outreach program specialists in each State shall be stationed at local employment service offices in such State. Specialists not so stationed shall be stationed at centers established by the Veterans' Administration to provide a program of readjustment counseling pursuant to section 612A of this title, veterans assistance offices established by the Veterans' Administration pursuant to section 242 of this title, and such other sites as may be determined appropriate in accordance with regulations jointly prescribed by the Secretary and the Administrator.

"(c) Each veterans' employment and training outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

"(1) Develop job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

"(2) Pursuant to regulations jointly prescribed by the Secretary and the Administrator, promote, develop, and, as appropriate, approve apprenticeship and other on-job training positions pursuant to section 1787 of this title.

"(3) Carry out outreach activities to locate such veterans through contacts with local veterans organizations, the Veterans' Administration, the State employment service agency and local employment service offices, and community-based organizations.

"(4) Provide appropriate assistance to community-based groups and organizations and prime sponsors under the Comprehensive Employment and Training Act in providing services to such veterans.

"(5) Provide appropriate assistance to local employment service offices employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.

"(6) Consult and coordinate with other appropriate representatives of Federal, State, and local programs for the purpose of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.

"(7) Carry out such other duties as will promote the development of entry-level and career job opportunities for such veterans.

"(d) Individuals serving as staff in the Disabled Veterans Outreach Program conducted under title III of the Comprehensive Employment and Training Act on the date of enactment of this section shall be appointed as veterans' employment and training outreach program specialists in the State in which such individual is so serving, unless the Secretary for good cause shown determines that such individual is not qualified for such appointment.

"(e) The Secretary shall administer the program provided for by this section through the Deputy Assistant Secretary for Veterans' Employment.".

(b) The table of sections at the beginning of chapter 41 is amended by inserting after the item relating to section 2003 the following:

"2003A. Veterans' Employment and Training Outreach Program.".

SEC. 210. Chapter 24 is amended by—

(1) striking out in the last sentence of section 1677(b) "$288" and inserting in lieu thereof "$317";

(2) amending the table contained in paragraph (1) of section 1682(a) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$342	$407	$464	$29
Three-quarter-time	256	305	349	21
Half-time	172	204	232	14
Cooperative	276	323	367	21";

(3) striking out in section 1682(b) "$311" and inserting in lieu thereof "$342";

(4) amending the table contained in paragraph (2) of section 1682(c) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$276	$323	$367	$21
Three-quarter-time	207	243	276	17
Half-time	139	162	184	11";

(5) striking out in section 1692(b) "$69" and "$828" and inserting in lieu thereof "$76" and "$911", respectively; and

(6) striking out in section 169(b) "$311" and inserting in lieu thereof "$342".

Sec. 211. Chapter 35 is amended by—

(1) striking out in section 1732(b) "$251" and inserting in lieu thereof "$276"; and

(2) striking out in section 1742(a) "$311", "$98", "$98", and "$10.40" and inserting in lieu thereof "$342", "$108", "$108", and "$11.40", respectively.

Sec. 212. Chapter 36 is amended by—

(1) striking out in section 1786(a)(2) "$311" and inserting in lieu thereof "$342";

(2) amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$249	$279	$305	$13
Second 6 months	186	217	243	13
Third 6 months	124	155	180	13
Fourth and any succeeding 6-month periods	62	92	119	13";

and

(3) striking out in paragraph (3) of section 1798(b) "$311" and inserting in lieu thereof "$342".

SEC. 213. Section 1622 is amended by—

(1) amending subsection (a) by—

(A) striking out in the first sentence "Each" and inserting in lieu thereof "Except as provided in subsections (c) and (d) of this section, each"; and

(B) striking out in the second sentence "$50" and "$75" and inserting in lieu thereof "$25" and "$100", respectively;

(2) inserting after "Forces" in subsection (c) a comma and "including contributions in lieu of, or to reduce the amount of, monthly deductions under subsection (a) of this section"; and

(3) adding at the end the following new subsection:

"(d) Subject to the maximum contribution prescribed by subsection (a) of this section, a participant shall be permitted, while serving on active duty, to make a lump sum contribution to the fund. A lump-sum contribution to the fund by any participant shall be in addition to or in lieu of monthly deductions made from such participant's military pay and shall be considered, for the purposes of paragraph (2) of section 1631(a), to have been made by monthly deductions from such participant's military pay in the amount of $75 per month or in such lesser amount as may be specified by such participant pursuant to regulations issued jointly by the Secretary and the Administrator.".

SEC. 214. Section 1662 is amended by—

(1) amending subsection (a) by—

(A) inserting after "1955" in paragraph (1) a comma and "and before January 1, 1980"; and

(B) adding at the end the following new paragraph:

"(3) An eligible veteran whose last discharge or release from active duty occurs after December 31, 1979, shall not be afforded educational assistance under this chapter after (A) the expiration of the five-year period following the date on which such veteran first begins to pursue a program of education under this chapter after such discharge or release if such date occurs no later than two years after such discharge or release from active duty or (B) December 31, 1989, whichever is the later."; and

(2) striking out subsection (e) in its entirety.

SEC. 215. Section 1712(a) is amended by—

(1) striking out "and" at the end of clause (4);

(2) redesignating clause (5) as clause (6); and

(3) inserting before clause (6), as so redesignated, the following new clause (5):

"(5) if the person becomes eligible by reason of the provisions of section 1701(a)(1) (A)(iii) of this title after the person's eighteenth birthday but before the person's twenty-sixth birthday, then (unless clause (4) of this subsection applies) such period shall end eight years after the date upon which the person thus becomes eligible; however, in no event shall such period be extended beyond the person's thirty-first birthday; and".

TITLE III—VETERANS' ADMINISTRATION DEBT COLLECTION AMENDMENTS

SEC. 301. (a)(1) Chapter 53 is amended by adding at the end the following new sections:

"§ 3113. Indebtedness offsets

"(a) Notwithstanding any other provision of this title or of any other law, where an individual has been determined to be indebted to the United States by virtue of such individual's participation in a benefits program administered by the Veterans' Administration under this title, the amount of the indebtedness concerned shall, under regulations which the Administrator shall prescribe, be deducted from future payments made under laws administered by the Veterans' Administration to such individual if—

"(1) such individual has been provided with reasonable notice of such individual's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and the right to request a waiver of such indebtedness pursuant to section 3102 of this title and with a reasonable opportunity to exercise such rights;

"(2) the Administrator has made a determination with respect to any such challenge or request, unless the Administrator determines that the passage of the time required to make such determinations prior to making deductions would have the effect of jeopardizing the Administrator's ability to recover the full amount of such indebtedness through deductions from such payments; and

"(3) the Administrator has made reasonable efforts to notify such individual about the proposed deduction from such payments and the provision of subsection (c) of this section and the regulations prescribed thereunder.

"(b) Notwithstanding any other provisions of this title or of any other law, the authority of the Administrator to make deductions under this section or to take other administrative action authorized by law for the purpose of collecting an indebtedness described in subsection (a) of this section, or for determining the credit worthiness of the individual who owes such indebtedness, shall not be subject to any limitation with respect to the time for bringing civil actions or for commencing administrative proceedings.

"(c) Upon application by the individual concerned and under such regulations, the Administrator may, in order to avoid undue hardship to such individual to the extent consistent with recovering the full amount of an indebtedness described in subsection (a) of this section, set the rate at which the amount of such indebtedness shall be deducted from future payments at a rate less than that which would otherwise be required.

"§ 3114. Interest and administrative costs charges on delinquent payments of certain amounts due the United States

"(a) Notwithstanding any other provision of this title or of any other law, and subject to section 3102 of this title, interest and administrative costs (as described in subsection (b) of this section) shall, under regulations which the Administrator shall prescribe, be charged on an amount owed to the United States—

"(1) for an indebtedness to the United States resulting from a person's participation in a benefits program administered under this title by the Veterans' Administration, other than a loan, loan-guaranty, or loan-insurance program;

"(2) for the provision of care or services under chapter 17 of this title; or

"(3) to the extent permissible under the loan instruments concerned, for an indebtedness resulting from an individual's participation in a program of loans, loan guaranties, or loan insurance administered by the Veterans' Administration under this title,

if a reasonable period of time, as determined under such regulations, has expired following the initial notification of the amount due to the person owes such amount of the amount due and the fact that such amount has not been paid. Interest shall accrue on such amount after the expiration of such reasonable period of time, but not for any period prior to the date (A) of the enactment of this section, or (B) on which the Administrator has mailed to the individual concerned, at such individual's most currently available address, notice of the Administrator's intention to charge interest on the indebtedness.

"(b)(1) The administrative costs to be charged under this section shall be so much of the costs incurred by the United States in collecting an indebtedness as the Administrator determines, under such regulations, to be reasonable and appropriate.

"(2) The rate of interest to be charged under this section shall be based on the rate of interest paid by the United States for its borrowing and shall be determined by the Administrator, in consultation with the Secretary of the Treasury, under such regulations.

"§ 3115. Authority to sue to collect certain debts

"(a) Not later than ninety days after the date of the enactment of this section, the Administrator shall take appropriate steps to authorize attorneys employed by the Veterans' Administration to exercise the right of the United States to bring suit, subject to the direction and supervision of the Attorney General and upon such terms and conditions as the Attorney General may prescribe, in any court of competent jurisdiction to recover any indebtedness that is owed to the United States by an individual by virtue of such individual's participation in a benefits program administered by the Veterans' Administration under this title, if the Administrator has determined, under regulations which the Administrator shall prescribe, that such individual has failed to respond appropriately to reasonable administrative efforts to collect such indebtedness.

"(b) Not later than one hundred and twenty days after the date of the enactment of this section, the Administrator and the Attorney General shall submit to the appropriate committees of the Congress a joint report that describes and explains the actions taken by the Administrator and the Attorney General to implement subsection (a) of this section.

"(c) Nothing in this section shall derogate from the authority of the Attorney General of the United States under sections 516 and 519 of title 28, United States

Code, to direct and supervise all litigation to which the United States or an agency or officer thereof is a party.".

(2) Not later than October 1, 1980, the Administrator shall prescribe the regulations required to be prescribed under sections 3113 and 3114 of title 38, United States Code, as added by paragraph (1) of this subsection.

(3) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new items:

"3113. Indebtedness offsets.
"3114. Interest and administrative costs charges on delinquent payments of certain amounts due the United States.
"3115. Authority to sue to collect certain debts.".

(b) Section 3301 is amended by—

(1) inserting "or in preparation for" after "In" in clause (5) of subsection (b);

(2) amending subsection (c) to read as follows:

"(c)(1) The amounts of any monetary payments made by the Veterans' Administration to a beneficiary of a benefits program administered by the Veterans' Administration under this title shall be made known to any person who applies for such information, and the Administrator, with the approval of the President, upon determination that the public interest warrants or requires, may, at any time and in any manner, publish any or all information of record pertaining to any claim.

"(2) Any appraisal report or certificate of reasonable value submitted to or prepared by the Veterans' Administration in connection with any loan program authorized under chapter 37 of this title shall be made available to any person who applies for such report or certificate.";

(3) redesignating subsection (g) as subsection (i) and inserting after subsection (f) the following new subsections (g) and (h):

"(g)(1) Subject to the provisions of this paragraph, the Administrator may, pursuant to regulations which the Administrator shall prescribe, release the name and address of an individual to a consumer reporting agency when necessary for the purpose of—

"(A) locating such individual when (i) such individual is administratively determined to be indebted to the United States by virtue of such individual's participation in a benefits program administered by the Veterans' Administration under this title, or (ii) the Administrator determines under such regulations that (I) it is necessary to locate such individual in order to conduct a study pursuant to section 219 of this title or a study required by any other provision of law, (II) such individual's inclusion in such study and the cost of such inclusion, in light of any other alternatives reasonably available to develop information necessary for such study and the costs of such alternatives and any possible consequences for such individual resulting from such release, clearly warrant such release, and (III) the release of such information and the fact that the Administrator has inquired as to such individual's present address (in order that any such study may be conducted) will not create a substantial risk of being construed as indicating that such individual is indebted to the United States or of otherwise having an adverse effect on such individual's credit worthiness, credit standing, or credit capacity; or

"(B) obtaining a consumer report in order to assess the ability of an individual so indebted to the United States to repay the indebtedness when the Administrator determines under such regulations that such individual has failed to respond appropriately to administrative efforts to collect such an indebtedness;

and may so release to such agency for either such purpose such other information as the Administrator determines under such regulations is reasonably necessary to identify such individual, but not including any information indicating expressly or implicitly any indebtedness to the United States or any other information reflecting adversely on such individual. Prior to making any such release, the Administrator shall, to the maximum extent practicable and under such regulations, determine that such agency (including any consumer reporting agency described in paragraph (4)(B)(i) of this subsection to which such information is to be transmitted by a consumer reporting agency described in paragraph (4)(B)(ii)(I) of this subsection) maintains and reports information of the character involved in such release in such a manner as not to indicate in its file on such individual or in any consumer report issued or other disclosure made by it that an inquiry by the Veterans' Administration pursuant to this paragraph indicates the existence of an indebtedness to the United States or otherwise reflects adversely on such individual. A consumer reporting agency to which the Administrator releases information under this paragraph may not, on the basis of such information, indicate by any such recording or notation in such file or in any consumer report issued or disclosure made by such agency the existence of such indebtedness or any other information reflecting adversely on such individual's credit worthiness, credit standing, or credit capacity. Any willful failure of such consumer reporting agency or of any employee of such agency to comply with the requirements set forth in the preceding sentence shall be punishable in the same manner prescribed for the violation described in the last sentence of subsection (f) of this section.

"(2)(A) When the Administrator determines under such regulations that an individual has failed to respond appropriately to reasonable administrative efforts to collect an indebtedness described in paragraph (1)(A)(i) of this subsection, the Administrator may release information relating to such indebtedness and the identity and address of such individual to one or more consumer reporting agencies for the purposes of making such information available for inclusion in consumer reports regarding such individual and, if necessary, of locating such individual if—

"(i) the individual has been provided reasonable notice of such individual's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and the right to request a waiver of such indebtedness pursuant to section 3102 of this title, has been provided with a reasonable opportunity to exercise such rights, and the Administrator has made a determination with respect to any such challenge or request; and

"(ii) sixty calendar days have elapsed following the mailing to such individual at such individual's most currently available address of notice of the Administrator's intent to release such information for such purposes, notice of the name and address of each consumer reporting agency to which such release will be made by the Administrator, and the specific information intended to be released.

"(B) Following the release of information under subparagraph (A) of this paragraph—

"(i) the Administrator shall notify each consumer reporting agency (including each consumer reporting agency described in paragraph (4)(B)(i) of this subsection to which the Administrator has caused such information be be transmitted by a consumer reporting agency described in paragraph (4)(B)(ii)(I) of this subsection) to which such information has been released by the Administrator of any substantial change in the status or amount of such indebtedness by the end of the calendar month following the calendar month during which such change occurs and shall, upon the request of any such consumer reporting agency for verification of any or all information so released, promptly provide verification or correction, as appropriate, of such information; and

"(ii) if the Administrator determines that the individual concerned had not, prior to such release of information, received a communication from the Veterans' Administration providing such individual with actual notice of the indebtedness and the rights and the opportunity described in subparagraph (A)(i) of this paragraph, any information in the possession of a consumer reporting agency indicating that such indebtedness is delinquent or past due shall, notwithstanding any other provision of law, be deemed to be inaccurate for purposes of section 611 of the Fair Credit Reporting Act (15 U.S.C. 1681i), and the Administrator shall immediately advise such individual and each consumer reporting agency (including each consumer reporting agency described in paragraph (4)(B)(i) of this subsection to which the Administrator has caused such information to be transmitted by a consumer reporting agency described in paragraph (4)(B)(ii)(I) of this subsection) to which the Administrator has released information relating to such indebtedness that any such indication is inaccurate for purposes of such section and advise such individual of the provisions of such section.

"(3) No contract entered into for any of the purposes of this subsection or subsection (h) of this section and no action taken pursuant to any such contract or either such subsection shall result in the application of section 552a of title 5 to any consumer reporting agency or employee thereof.

"(4) For the purposes of this subsection and subsection (h) of this section—

"(A) The terms 'consumer report' and 'file' shall have the meaning provided in subsections (d) and (g) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a (d) and (g)), respectively.

"(B) The term 'consumer reporting agency' (i) shall have the meaning provided in subsection (f) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)), and (ii) shall also mean any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of (I) obtaining credit information or other information on consumers from consumer reporting agencies (as defined in subsection (f) of section 603 of such Act) for the purpose of furnishing such information to third parties, or (II) serving as a marketing agent under arrangements enabling third parties to obtain such information from such agencies.

"(h) The Administrator may, pursuant to regulations which the Administrator shall prescribe and which shall not become effective until 30 days following publication in the Federal Register, release the name, address, and other information relating to the identity of an individual, to any person in a category of persons that is described in such regulations and specified as a category of persons to whom such information may be released, if the release of such information is necessary for the purpose of—

"(1) determining the credit worthiness, credit capacity, income, or financial resources of an individual who has (A) applied for any benefit under chapter 37 of this title, or (B) submitted an offer to the Administrator for the purchase of property acquired by the Administrator under section 1820(a)(5) of this title;

"(2) verifying, either before or after the Administrator has approved an individual's application for assistance in the form of a loan guaranty or loan insurance under chapter 37 of this title, information submitted by a lender to the Administrator regarding the credit worthiness, credit capacity, income, or financial resources of such individual;

"(3) offering for sale or other disposition by the Administrator, pursuant to section 1820 of this title, any loan or installment sale contract owned or held by the Administrator; or

"(4) to the extent not otherwise authorized by this paragraph, providing assistance to any applicant for benefits under chapter 37 of this title or administering such benefits if the Administrator promptly records the fact of such release in appropriate records pertaining to the person concerning whom such release was made."; and

(4) amending subsection (i), as redesignated by clause (2) of this section, by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (g)(3) of this section, any".

TITLE IV—VETERANS' ADMINISTRATION HEALTH CARE COST RECOVERY PROVISIONS

SEC. 401. (a) Subchapter III of chapter 17 is amended by adding after section 628 the following new section:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability and such disability was incurred—

"(1) incident to such veteran's employment and the disability is covered under a workers' compensation law or plan which provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability,

"(2) as the result of a motor vehicle accident covered under the law of a State which requires the owners or operators of motor vehicles registered in such State to have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State or subdivision thereof in which a person injured as the result of such crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime,

the United States shall have the right to recover, subject to the limitations, conditions, and procedures prescribed in subsections (b) and (c) of this section, the reasonable costs of such care and services from the State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations insurance carrier, to the extent that such veteran, or the provider of care and services to such veteran, would be eligible to receive reimbursement or indemnification for such care and services if such care and services had not been furnished by a department or agency of the United States.

"(b) The amount that may be recovered by the United States in exercising the right provided under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished such veteran under this chapter, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe after notice and opportunity for public comment, or (2) the maximum amount specified by the law of the State or subdivision thereof concerned or by any relevant contractual provision to which such veteran was a party or was subject.

"(c)(1) The United States shall, as to the right provided in subsection (a) of this section, be subrogated to any right or claim that such veteran or such veteran's personal representative, successor, dependents, or survivors may have against a

State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(2) In order to enforce any such right or claim to which it is subrogated under paragraph (1) of this subsection—

"(A) the United States may intervene or join in any action or proceeding brought by the veteran or such veteran's personal representative, successor, dependents, or survivors against a State or subdivision thereof, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier, or

"(B) if—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to such veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to such veteran at such veteran's last-known address, or to such veteran's personal representative or successor, of the United States' intention to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against such State or subdivision thereof, employer, employer's insurance carrier, or automobile accident reparations carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section.

"(e) No law of any State or of any subdivision thereof, and no provision of any contract or agreement entered into, renewed, or modified pursuant to any State law shall operate to prevent recovery by the United States under (1) subsection (a) of this section for care and services furnished under this chapter to any veteran for a non-service-connected disability, or (2) subsection (b) of section 611 of this title for care and services furnished as a humanitarian service in emergency cases under such subsection to any individual.".

(b) The table of sections at the beginning of such chapter is amended by adding after the item relating to section 628 the following new item:

"629. Recovery by the United States of the cost of certain care and services.".

TITLE V—AMENDMENTS TO AGENT ORANGE STUDY PROVISIONS

SEC. 501. Section 307 of the Veterans Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1097), is amended by amending subsection (a)(1) to read as follows:

"(a)(1)(A)(i) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of the long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacturing of such herbicides.

"(ii) In conducting the study provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such study to include an evaluation of the adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions.

"(B)(i) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as 'Agent Orange') and the class of chemicals known as 'the dioxins' produced during the manufacture of such herbicides.

"(ii) In conducting the review and analysis of the literature provided for by division (i) of this subparagraph, the Administrator may, as the Administrator deems appropriate, expand the scope of such review and analysis of the literature to include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict or in other comparable situations involving one or more of the factors described in subparagraph (A)(ii) of this paragraph.".

SEC. 502. Section 307 of the Veterans Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1097), is further amended by amending subsection (b)—

(A) by amending paragraph (2) by inserting "for administrative or legislative action, or both." after "recommendations";

(B) by adding at the end the following new paragraph:

"(3)(A)(i) Not later than ninety days after the submission of each report provided for in paragraph (2), the Administrator shall, based on the results described in each such report and the comments and recommendations thereon and any other available pertinent information, develop and publish in the Federal Register, for public review and comment proposed regulations containing proposed guidelines standards, and other criteria (together with an explanation of the bases for such proposed guidelines, standards, and criteria) for resolving claims for benefits administered by the Veterans' Administration based on exposure to Agent Orange during service in the Armed Forces of the United States in the Republic of Vietnam during the Vietnam conflict.

"(ii) If the Administrator expands the scope of the study provided for in subsection (a)(1)(A)(i) (as provided for in subsection (a)(1)(A)(ii)), such proposed regulations shall contain proposed guidelines, standards, and other criteria for resolving such claims based on one or more factors described in subsection (a)(1)(A)(ii) related to such service.

"(iii) Proposed regulations developed and published pursuant to division (i) of this subparagraph (and, if proposed regulations are developed and published pursuant to division (ii) of this subparagraph; pursuant to such division) shall include specification of any presumptions (including any presumptions regarding service and exposure) to be applied to the resolution of the claims to which such proposed guidelines, standards, and criteria in such proposed regulations apply.

"(iv) Notwithstanding any other provision of law, the public review and comment process required by division (i) of this subparagraph shall be conducted in accordance with the provisions of sections 553 (b) and (e), 556, and 557 of title 5, United States Code.

"(v) On the same day as such proposed regulations are published as required by division (i) of this subparagraph, the Administrator shall submit to the appropriate committees of the Congress any recommendations for legislative action that the Administrator considers appropriate in light of such proposed guidelines, standards, and criteria the report submitted pursuant to subsection (b)(2), and any other available pertinent information.

"(B) Not later than ninety days after the completion of the public review and comment process provided for in subparagraph (A) (i) and (iv), the Administrator shall publish in the Federal Register final regulations containing the guidelines, standards, and other criteria (together with an explanation of the bases for such guidelines, standards, and criteria) for resolving the claims involved.

"(C) Nothing in subparagraphs (A) and (B) shall be considered to limit in any way the discretion and authority of the Administrator to promulgate or prescribe regulations, guidelines, standards, or other criteria for resolving any claims described in subparagraph (A) (i) or (ii) at any time earlier than the time prescribed in subparagraph (A) for the publication of the proposed regulations described in such subparagraph.

"(D) The Administrator's compliance with the provisions of, and any regulations promulgated pursuant to, this paragraph shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. Section 612(f)(2) is amended by inserting "any veteran for whom medical services are provided pursuant to an individualized written plan for rehabilitation developed under chapter 31 of this title" after "more".

SEC. 602. Section 1781 is amended by inserting "or subsistence allowance granted under chapter 31" after "36".

SEC. 603. Section 1795 is amended by—

(1) amending clause (4) to read as follows:

"(4) chapters 32, 34, 35, and 36 of this title, and the former chapter 33";

(2) striking out the comma immediately following "thereof)" and inserting in lieu thereof a period; and

(3) striking out "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone." and inserting in lieu thereof a period and the following new sentence: "No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section for a period in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits provided

for by such chapter are required to accomplish the rehabilitation purposes set forth in such chapter".

Sec. 604. Section 1631(a)(1) is amended by adding at the end thereof the following new sentence: "The 36-month maximum shall be subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of education administered by the Veterans' Administration".

Sec. 605. Section 1682 is amended by adding at the end the following new subsection:

"(h) Notwithstanding any other provision of this title, in the case of an eligible veteran pursuing a program of education while receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in a facility with which the Administrator, under the provisions of chapter 17 of this title has contracted for such veteran's care at Veterans' Administration expense, the educational assistance allowance appropriate for the type of training pursued shall after such veteran has been receiving such care for thirty days, accrue and be withheld (and converted to securities), paid to dependents, and paid to such veteran upon discharge from such facility, as appropriate, under the same terms and conditions set forth in subsection (g) of this section, except that the Administrator shall, upon the request of such veteran, pay to such veteran all or part of such monthly allowances payments as are determined to be necessary to meet continuing financial obligations of such veteran.".

Sec. 606. Section 1624(a) is amended to read as follows:

"(a)(1) If a participant dies, the amount of such participant's unused contributions to the fund shall be paid to the living person or persons first listed below:

"(A) The beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy.

"(B) The surviving spouse of the participant.

"(C) The surviving child or children of the participants, in equal shares.

"(D) The surviving parents of the participant in equal shares.

"(2) If there is no such person living, such amount shall be paid to the participant's estate.".

Sec. 607. The authority to make loans in the increased amounts authorized under sections 1512 and 1798(b)(3) of title 38, United States Code, as amended by sections 101(a) and 211(3) of this Act, respectively shall be effective only to such extent or in such amounts as are provided in appropriation Acts. The preceding sentence shall be effective only if, on the day a bill containing amendments substantively identical to the amendments made by sections 101(a) and 211(3) of this Act to increase the amounts of loans authorized by sections 1512 and 1798(b)(3) of such title is passed by the House of Representatives or the Senate, there is in effect in such body a rule which provides that it shall not be in order in such body to consider a bill containing such amendments unless such bill provides that the authority to make such loans in such increased amounts shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

Sec. 608. The Veterans' Administration Medical Center in Topeka, Kansas, on and after the date of enactment of this Act, shall be known and designated as the "Colmery-O'Neil Veterans' Administration Medical Center" in honor of the late Harry W. Colmery and Ralph T. O'Neil. Any reference to such center in any law, regulation, map, document, record, or other paper of the United states shall after such date be deemed a reference to the Colmery-O'Neil Veterans' Administration Medical Center.

Sec. 609. Section 502 of Public Law 96-128 is amended by adding at the end the following new sentence: "Disclosures of information made under this section shall for all purposes be deemed to be disclosures authorized in title 26, United States Code.".

Sec. 610. Section 303 of the Veterans Health Programs Extension and Improvement Act of 1979, Public Law 96-151 (93 Stat. 1092, 1096), is amended by—

(1) inserting "(a)" before "Section"; and

(2) adding at the end the following new subsection:

"(b) The amendment made by subsection (a) of this section shall take effect with respect to appointments made on or after the date of the enactment of this Act.".

Sec. 611. Notwithstanding the provisions of section 5072(b), 5073(a)(2), or 5082(b) of title 38, United States Code, in cases in which the Administrator has approved an application for a grant or supplemental grant under subchapter I of chapter 82 of such title (for the establishment of a new State medical school), amounts appropriated pursuant to section 5072(a) or 5082 of such title that are approved for such a grant or supplemental grant shall remain available for, and may be paid during, a period of twelve months in addition to the periods provided for in such sections, respectively, and any funds made available by this section for payments, or authorized to be paid, under such grant or supplemental grant for facility salaries may not exceed the amount provided for under section 5073(a)(2)(G) of such title.

SEC. 612. Section 4107(c)(3) is amended by striking out "section 4507" and inserting in lieu thereof "sections 4507 and 5384".

SEC. 613. (a) Except as provided in section 612 of this Act and subsections (b) through (f) of this section, the provisions of this Act shall become effective on October 1, 1980.

(b) With respect to veterans who are participating in a program of vocational rehabilitation under chapter 31 of title 38, United States Code, on September 30, 1980—

(1) individualized written plans of vocational rehabilitation shall be formulated under section 1507 of such title (as amended by section 101(a) of this Act) for such veterans to the extent that and at such times as the Administrator determines that the formulation of such plans is feasible and on the basis of such priorities for the formulation of such plans as the Administrator shall prescribe; and

(2) extensions may be granted a veteran under sections 1503(c) and 1505(c) of such title (as amended by section 101(a) of this Act) without regard to the requirement for a determination of a serious employment handicap.

(c) The provisions of sections 210, 211, and 212 shall take effect on January 1, 1981.

(d) The provisions of sections 213, 214, and 215, titles III and V, and section 610 shall take effect on the date of the enactment of this Act.

(e) The amendments made by title IV shall be effective with respect to care and services furnished under chapter 17 of title 38, United States Code, after September 30, 1980.

(f) The provisions of section 609 shall take effect as of November 28, 1979.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I send to the desk an amendment to the title of S. 1188.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

"The Senator from California (Mr. Cranston) proposes an amendment to the title as follows."

Mr. CRANSTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amend the title so as to read:

To amend title 38, United States Code, to improve and modernize the rehabilitation programs for service-connected disabled veterans under chapter 31 of title 38, United States Code, to increase the rates of rehabilitation, educational assistance, and special training allowances paid to eligible veterans and persons, to enhance employment opportunities for eligible veterans, to establish a veterans' employment and training outreach program, to modify the Post-Vietnam Era Veterans' Educational Assistance Program, to modify the termination date of the current GI Bill, to facilitate Veterans' Administration debt-collection efforts, and to clarify the Veterans' Administration's authority to recover health-care costs; to authorize expansion of the scope of an epidemiological study regarding veterans exposed to Agent Orange to include additional health factors and require the issuance of guidelines for resolving claims based on exposure to Agent Orange; and for other purposes".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPENDIX D

[Excerpts from the Congressional Record—Senate, vol. 126, No. 151, pp. S13583-S13607, Sept. 26, 1980]

GI BILL AMENDMENTS ACT

Mr. Cranston. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 5288.

The Presiding Officer. Is there objection?

Mr. Baker. Reserving the right to object, and I shall not object, Mr. President, the purpose of my reservation is to advise the distinguished majority whip that this item is cleared on our calendar and we have no objection to its consideration at this time.

The Presiding Officer laid before the Senate the amendment of the House of Representatives to the amenment of the Senate to the bill (H.R. 5288) to amend title 38, United States Code to improve and modernize the vocational rehabilitation program provided veterans under chapter 31 of such title, to improve the veterans' educational assistance program, and for other purposes.

(The amendment of the House is printed in the Record of September 25, 1980, beginning at page H9637.)

Mr. Cranston. Mr. President, I ask unanimous consent that, upon the completion of Senate action on the House amendments to the Senate amendments to H.R. 5288, I be recognized for the purpose of asking unanimoius consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 4015 and that the Senate proceed to its immeciate consideration: that no amendments be in order other than a committee amendment and a title amendment that I shall offer embodying three VA health-care related provisions that passed the Senate on September 4 as part of S. 1188 and that are not included in the Compromise Agreement on H.R. 5288 that is pending before the Senate at this time; and that no motion except a motion to reconsider and a motion to table such motion be in order with respect to H.R. 4015 when it is before the Senate.

The Presiding Officer. Is there objection to such a request?

Without objection, it is so ordered.

Mr. Cranston. Mr. President, I further ask unanimous consent that immediately following disposition of the aforementioned H.R. 4015, I be recognized for the purpose of submitting a concurrent resolution making technical changes in the engrossment of the House amendments to H.R. 5288 and requesting unanimous consent for its immediate consideration, and that no amendments or motions with respect to that concurrent resolution be in order except for a motion to reconsider and a motion to table such motion.

The Presiding Officer. Is there objection to the request of the Senator from California? Without objection, it is so ordered.

Mr. Cranston. Mr. President, returning to H.R. 5288, as chairman of the Committee on Veterans' Affairs, I will urge concurrence in the House amendments to the Senate amendments to the bill, H.R. 5288, the proposed Veterans' Rehabilitation and Education Amendments of 1980, a compromise agreed to between the two Veterans' Affairs Committees after extensive discussion and negotiation.

BACKGROUND

Mr. President, this compromise agreement incorporates provisions derived from four Senate-passed measures—H.R. 5288, the GI Bill Amendments of 1980; S. 1188, the Disabled Veterans Rehabilitation Act of 1980; S. 2885, the Reconciliation Act of 1980; and H.R. 7511, the Veterans' Disability Compensation and Housing Benefits Amendments of 1980—and three House-passed measures—H.R. 5288, the Veterans' Rehabilitation and Education Amendments of 1979, and H.R. 7394, the Veterans' Rehabilitation and Education Amendments of 1980, and H.R. 7765, the Omnibus Reconciliation Act of 1980.

H.R. 5288 was originally passed by the House of Representatives on October 16, 1979. On January 23 and 24, 1980, the Senate considered S. 870, as reported by the Senate Committee on Veterans' Affairs on September 7, 1979. Following Senate consideration of S. 870 as reported, the provisions of that measure, as amended, were substituted in lieu of the provisions of H.R. 5288 as passed by the House. As so amended, H.R. 5288 was passed by the Senate on January 24.

S. 1188 was reported by the Senate Committee on Veterans' Affairs on May 15, 1980, and passed by the Senate, with amendments, on September 4.

S. 2885, title VIII of which contained various cost-saving provisions that the Committee on Veterans' Affairs had recommended, was passed by the Senate on June 30, 1980.

H.R. 7394 as passed by the House of Representatives on July 21, 1980, contained the provisions of the House-passed version of H.R. 5288 with certain modifications, a 10-percent GI bill rate increase, and certain cost-saving provisions that were also contained in H.R. 7765, the Omnibus Reconciliation Act of 1980.

Mr. President, the Veterans' Affairs Committees of the two Houses enjoy a most constructive and cooperative relationship. Although we occasionally advocate different legislative approaches to a particular issue, as in this instance, it is clear that the two committees share a deep commitment to insuring that our Nation's veterans receive all the benefits and services to which they are entitled and that veterans' programs serve their intended purposes effectively and efficiently.

This commitment can again be seen in the measure pending before the Senate today. As with all compromises, it does not contain every provision that passed the Senate or that I would have like to have seen in this legislation—and it contains certain provisions that I have agreed to very reluctantly. However, I believe that it represents a fair and equitable resolution of the differences between the various provisions of the House- and Senate-passed bills.

As I noted on Wednesday of this week, during consideration of H.R. 7511, the Veterans' Disability Compensation and Housing Benefits Amendments of 1980, which the Senate that day sent to the President for signing, the provisions of the pending measure and of H.R. 7511 were fashioned in light of the need to insure that, as a result of the enactment of both bills, the budget allocations to the Veterans' Affairs Committees under the first concurrent resolution for fiscal year 1981 are not exceeded. Thus, I can assure my colleagues that net costs of this compromise agreement are within those allocations.

Mr. President, the compromise agreement would improve, update, and expand Veterans' Administration rehabilitation programs for service-connected disabled veterans and provide a 17-percent increase, effective October 1, 1980, in rates of subsistence allowances paid to veterans participating in such programs; provide for a 10-percent increase in GI bill benefits phased in in two steps—half on October 1, 1980, and the rest on January 1, 1981; make various improvements in the educational, job training, and employment assistance programs for veterans; modify flight and correspondence training programs under the GI bill to eliminate waste and abuse in those programs; and strengthen and expand VA debt-collection efforts.

TITLE I: VA REHABILITATION PROGRAM FOR SERVICE-CONNECTED DISABLED VETERANS

Mr. President, title I of the compromise agreement, which comprehensively restructures the VA's rehabilitation programs under chapter 31 of title 38, United States Code, incorporates the substance of virtually all of the rehabilitation provisions passed by the Senate in S. 1188. I am most appreciative of the outstanding cooperation we received from the House Committee on those most important provisions. The chapter 31 rehabilitation program has not been thoroughly revised since its inception in 1943. Therefore, I am particularly pleased that we were successful in working out this revision of chapter 31 rehabilitation programs, taking into account all that has been learned in the general field of rehabilitation of handicapped persons, particularly since the enactment of the Rehabilitation Act of 1973.

As a principal author of the Rehabilitation Act, I have been most concerned that the concepts and methods—now developed and tested by experience—under that landmark legislation be made fully available to service-connected disabled veterans under the VA chapter 31 program.

In this connection, I would like to note that the compromise agreement retains the basic thrust of the Senate bill's emphasis in S. 1188 on focusing services and assistance on veterans with serious employment handicaps. This targetting on those with the greatest need is consistent with the emphasis of Congress in the 1973 Rehabilitation Act. This focusing is contained in several provisions of the compromise agreement, including those which would provide that counseling be provided and an individualized written plan be formulated for these veterans to set forth the rehabilitation goals of the veteran and the services and assistance to be provided to meet those goals and that certain extensions of the delimiting period and months of entitlement may be granted only for such veterans.

In addition, the compromise agreement retains the 4-year pilot program of independent living services and assistance as proposed in S. 1188—limited to 500 new participants each year—for those who are determined to be too severely disabled to pursue a vocational goal. This program is also fashioned after a similar program in the Rehabilitation Act.

Among the other major provisions of title I are those which would expand the scope of services authorized under chapter 31 in certain respects. The new services would include, very importantly, pretraining services to help improve the ability of severely disabled veterans to participate in vocational training and independent living services for seriously disabled chapter 31 participants in need of this kind of assistance to achieve a maximum level of independent, self-sustaining life in their families and communities and to achieve the capacity for vocational rehabilitation.

The compromise agreement also includes the Senate provision for extended, in-depth evaluation of rehabilitation potential in the relatively rare cases in which it is impossible to determine at the time of initial evaluation whether it is reasonably feasible for the veteran to achieve a vocational goal. During the period of extended evaluation, the veteran could be provided independent living services and services to improve his or her potential for pursuing training toward a vocational goal.

Title I of the compromise agreement would also expand the purpose and effective operation of the chapter 31 program beyond achieving the employability of the veteran to that of helping the veteran find and maintain employment in a suitable job. This expansion is designed to make certain that following completion of a vocational rehabilitation program, a veteran with a serious employment handicap is assured of all reasonable assistance that he or she may need in making a successful entry into the workforce and adjusting to his or her employment situation.

Also, Mr. President, the compromise agreement provides for a 17-percent cost-of-living increase in the existing chapter 31 subsistence allowance rates—the House-passed increase, which is 7 percent higher than the Senate-passed increase. It would also establish new rates, at levels commensurate with the existing rates as so increased, for the new categories of chapter 31 participation that the compromise agreement would create, extended evaluation and programs of independent living services and assistance. In addition, the compromise agreement would provide for a 12-year basic period of eligibility—3 years longer than the delimiting period under current law.

* * * * * * *

DISABLED VETERANS' OUTREACH PROGRAM

The compromise agreement also includes the Senate provision from S. 1188 for the permanent establishment of the highly successful disabled veterans' Outreach program now conducted under the Secretary of Labor's discretionary authority in the Comprehensive Employment and Training Act. I am very pleased that the House ageed to my proposal for giving a permanent statutory basis to this program, which has so effectively served the employment needs of eligible veterans.

FLIGHT AND CORRESPONDENCE TRAINING

Mr. President, I believe that, in many cases, correspondence and flight training are both appropriate and valid courses of study from which the veteran can benefit greatly. In the case of flight training, I am delighted that the House—which passed a provision to terminate the program—has receded to the Senate position to the extent that the cost of the course paid for by the VA will be reduced from 90 percent to 60 percent, and a VA educational loan of up to $2,500 will be available to the veteran to supplement the benefit. However, the House would not accept the provision on loan cancellation for veterans who subsequently become employed in a flight related occupation. The end result is, in light of the House position, a fair and reasonable one.

In the case of correspondence training, the committees have agreed to a provision that will reimburse the veteran at 70 percent of the cost of the training, rather than 90 percent as in current law.

Mr. President, the compromise agreement further provides that the reduction in payments made by the VA would not be made with respect to training undertaken prior to October 1, 1980, and that those veterans enrolled as of September 1, 1980, in a program of education—which can include a series of courses leading to a program objective—would not be subject to the reduction for so long as they remain enrolled in the program and would be grandfathered in under the provisions of current law.

This means, for example, that a veteran who was enrolled in a program of flight training on August 29 would not be subject to the modifications made by the compromise agreement as he remains continuously enrolled. A veteran who enrolled in a flight training course as of September 2 would continue to be reimbursed 80 percent of the cost of training received prior to October 1.

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ALCOHOL AND DRUG ABUSE DISABILITIES

Mr. President, as members will recall, H.R. 5288 as passed by this body in January contained a provision that would have provided that, solely for the purposes of determining eligibility for an extension of the delimiting period as a result of a disability that prevented the veteran or eligible person from pursuing training, an alcohol or drug dependence or abuse disability from which the individual has recovered shall not be considered to be the result of willful misconduct.

This provision grew out of the committee's concerns relating to a number of cases in which the VA has taken the position that, under current law and regulations, it has to deny a delimiting period extension to an otherwise eligible veteran on the grounds that an alcohol or drug abuse or addiction disability, is the result of the veteran's willful misconduct.

Regrettably, the House was adament in its refusal to accept this provision. However, I would note for the record that I have been advised by the VA that it is conducting a review to determine if there is sufficient latitude under current law to permit them to make favorable determinations in these cases and the view of our committee that, in view of the neutral position taken in the explanatory statement on this compromise agreement, the VA does have that authority and should exercise it.

INCARCERATED VETERANS

Mr. President, I also deeply regret that the Senate was unable to prevail with regard to the payment of GI bill and rehabilitation allowances to incarcerated veterans. As I have stated many times in the past, these veterans have earned their benefits by serving their Nation honorably in time of war, and to deprive them of their full entitlement is, in effect, to inflict additional punishment.

Under provisions in H.R. 5288 as passed by the Senate and S. 1188, an incarcerated veteran's GI bill benefit generally would, to the extent not needed for direct educational expenses, have been held in escrow until his or her release from incarceration. These provisions would have solved the problem of unneeded funds flowing into prisons and would have served to facilitate the veteran's readjustment to and rehabilitation in the community following incarceration and, thus, helped to deter recidivism.

A floor amendment proposed by the Senator from Kansas (Mr. Dole) to strike these provisions from H.R. 5288 as reported by our committee and to limit an incarcerated veteran's GI bill benefits to tuition and fees or the half-time rate for institutional training, whichever is the lesser, was voted down 66 to 28 on January 23.

In our negotiations, the House adamantly refused to accept the Senate provisions and insisted on its provisions to limit an incarcerated veteran's GI bill benefits to tuition and fees—just as it insisted on its incarcerated provision regarding compensation in H.R. 7511 agreed to Wednesday in this body. Because I became convinced that the House would not agree to any measure not including some such limitation, most reluctantly I went along—but only after certain important, narrowing modifications were made in the House provision.

Under the modications which we were able to persuade the House to make, the limitation will be effective only for those veterans who are incarcerated as a result of a conviction and then only conviction of a felony; the Administrator will be given the discretion to pay appropriate amounts for books, supplies, and equipment needed for training; the limitation will not apply to veterans residing in halfway houses or participating in work-release programs unless all of their living expenses are paid for by a governmental entity and an apportioned amount of educational assistance allowance will be paid to the veteran's dependents if the apportionment was made prior to the date of enactment.

I sincerely regret the loss of the Senate provisions and do not regard this action—or the agreement in H.R. 7511—as setting any precedent with respect to conditioning a veteran's earned benefits on subsequent actions.

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HEALTH-CARE PROVISIONS

Mr. President, there are four provisions related to VA health-care issues that were included in S. 1188 as it passed the Senate on September 4, 1980, that are not included in the compromise agreement—one authored by Senator Dole to rename the VA Medical Center in Topeka, Kans., in honor of two now deceased former American Legion leaders from Kansas; a second, also passed by the Senate in H.R. 7102 on June 5, 1980, to strengthen and clarify the VA's authority to recover the costs of veterans' non-service-connected care, in appropriate cases, from workers' compensation carriers, auto no-fault insurers, and States that pay for the costs of health care provided the victims of crimes of personal violence; a third, to modify the VA's program of grant assistance to new State medical schools under chapter 82 of title 38 to provide an additional 12-month period in which the five new State medical schools established pursuant to such chapter could obligate funds previously committed to them under subchapter I of such chapter; and a fourth, relating to the VA's activity with reference to Agent Orange that was added to S. 1188 by amendments offered by Senator Simpson and myself and by Senator Heinz, with our cosponsorship.

For my colleague's reference, Mr. President, these provisions were described in detail during the Senate's consideration of S. 1188, and I would refer those who wish to review them to pages S12010 through S12018 of the Record for September 4.

Mr. President, with the possible exception of the amendments related to agent orange—which were agreed to by the Senate with no opposition but which provide for important and significant changes in the VA's activity on this very critical issue and are, therefore, not free from controversy—I believe that these health-care-related provisions are not controversial, and I fully expected the House to accept them as part of the compromise agreement.

However, Mr. President, despite my strong and personal efforts to secure agreement, with the House Committee on Veterans' Affairs, this proved impossible on germaneness grounds which precluded any substantive discussion of the issues, and they are not included in the compromise before the Senate today.

Mr. President, earlier this week and in anticipation of this result, the Senator from Kansas (Mr. Dole) brought the provisions he has authored relating to the renaming of the VA Medical Center in Topeka, Kans., before the Senate in a separate bill, S. 3147. The Senate passed this measure and it is now pending in the House where, with the question of germaneness now removed, it can receive appropriate consideration by the House committee on its merits.

In a similar action, Mr. President, following final passage of the pending measure, I will ask that the Committee on Veterans' Affairs be discharged from further consideration of a health-care measure pending in the committee, H.R. 4015, the provisions of which were dealt with in legislation that has since been enacted as Public Law 96–330, and ask for immediate consideration of that measure. I will then offer a substitute amendment comprised of the language of the remaining three health-care-related provisions that were passed as part of S. 1188, and seek Senate adoption of H.R. 4105 as so amended.

Mr. President, I would hope that once this new measure reaches the House, it will provide an opportunity for the members of the House committee to consider the various provisions of their merits so that some or all may be enacted by the end of this Congress.

Mr. President, I want to note that in the event that the House fails to act during the balance of this Congress on the provisions that will be included in H.R. 4015 as amended, I have already received the commitment of the chairman and a senior member of the committee who is the chairman of the Subcommittee on Compensation, Pension, Insurance, and Memorial Affairs (Mr. Montgomery) that, if a similar bill—which I would intend to introduce—is passed by the Senate early next year, a step that I anticipate will be taken, the House committee will take prompt action to hold hearings on these provisions and give them full and fair consideration.

Mr. President, I ask unanimous consent that there be printed in the Record at this point an exchange of letters between House committeee Chairman Ray Roberts and me regarding my request for a meeting to discuss specifically the agent orange provisions included in S. 1188.

There being no objection, the letters were ordered to be printed in the Record, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., September 16, 1980.

Hon. RAY ROBERTS,
Chairman, Committee on Veterans' Affairs,
U.S. House of Representatives, Washington, D.C.

DEAR RAY: During consideration of S. 1188, the proposed "Disabled Veterans Rehabilitation Act of 1980", on September 4, the Senate adopted two amendments related to the Agent Orange issue—one (No. 1549) that I offered with our ranking minority member, Senator Simpson, and the other (No. 1550) offered by Senator Heinz with the cosponsorship of Senator Simpson and me among others. I am writing to urge that you give these amendments your personal attention and consider including them as part of the compromise agreement on the VA education measure (H.R. 7394) or the compensation measure (H.R. 7511) that Committee staffs are working on at present.

The amendment that Senator Simpson and I offered would make three changes to the Agent Orange study provision in section 307 of Public Law 96–151. The first change would amend the description of that study so as to remove an unintended threshold problem confronting those planning the study. (As originally enacted, the study provision requires a study of veterans exposed to dioxin as found in Agent Orange during their Vietnam service. As our amendment would change the study mandate, the VA would be required to study the health of Vietnam veterans as their health may have been affected by exposure to dioxin in Agent Orange. Thus, under our amendment, the VA could begin the study by identifying a population with service in Vietnam and then focus on the question of dioxin exposure in that population rather than having to identify an exposed population prior to beginning the study.) VA officials and scientists and others have advised that this change would greatly facilitate the conduct of the study.

The second change that would be made by Amendment No. 1549 to the study provision would be to provide the Administrator with the authority to expand the scope of the epidemiological study, as well as the literature search mandated by the law, to include the health effects of factors associated with Vietnam service other than Agent Orange. This discretionary authority to expand the study responds to a recommendation made by the Scientific Panel of the Interagency Work Group to Study the Possible Long-Term Health Effects of Phenoxy Herbicides and Contaminants—the so-called IAG. The IAG's Scientific Panel made this recommendation in response to problems that the panel found in identifying a population of ground troops exposed to Agent Orange as well as to concerns about the wide variety of other elements—such as the anti-malarial drug, Dapsone—that Vietnam veterans may have been exposed to during their service and that may affect their health. Let me stress that the Agent Orange study would continue to be mandated under the amendment. The third change would clarify that the VA has the authority to contract with an outside entity for the management of the study.

Amendment No. 1550, on which I worked very closely with Senator Heinz, is intended to provide a framework within which the VA will translate information developed on the effects of exposure to Agent Orange—and other factors if the study is expanded—during Vietnam service into guidelines for responding to claims based on exposure to such elements. It is not the same amendment that Senator Heinz has proposed in the past (Nos. 922 in January 1980 and 2274, an amendment submitted for printing but not offered to S. 1188), but was substantially revised.

As I know you appreciate, Ray, the Agent Orange issue has taken on very large proportions. There continues to be strong support for further Federal government action, not only from Vietnam veterans and their families but from many other segments of the public as well. I am personally convinced that the Federal government is making an appropriate effort at this time to resolve the issue and that the major impediment to such a resolution is the lack of credible scientific evidence on the questions of actual exposure to Agent Orange or other substances in Vietnam and the likely adverse health effects of exposure. Amendment No. 1550, although it cannot—and should not—speed the results of the various efforts to gather the needed information on these questions, will nevertheless serve to defuse some of the pressure and anxiety by establishing specific time points, tied to the time points already included in the Public Law 96–151 study provision, for the VA to develop and issue guidelines for the resolution of Agent Orange claims. I believe that such an approach is a most appropriate way to proceed now, especially given my belief that there is nothing in Senator Heinz' amendment that the VA is not already authorized to do and which the agency would not do in its efforts to resolve this very difficult matter. I believe that adopting these amendments at this time, when the VA is on the verge of taking significant, preliminary action under the study provision, would have an important psychological impact.

Furthermore, I do not believe that the amendment as adopted by the Senate prejudges the issue in any way in terms of possible adverse health effects.

At the Committee's hearings on the Agent Orange issue on September 10, a number of witnesses expressed general support for one or both of these amendments. Both Ms. Jodie Bernstein, General Counsel of the Department of Health and Human Services and Chairperson of the IAG, and Guy McMichael, although noting that a final administration position would not be available until later this week, indicated support for the amendment I authored that authorizes an expansion in the scope of the study. With reference to the second amendment, Ms. Bernstein expressed strong personal support for the regulatory approach contemplated by that amendment. Mr. McMichael indicated that he was still studying the Heinz amendment and could not provide specific comments on it but that he did not believe that a process employing public notice and hearing for the development of Agent Orange-related regulations was inappropriate. Other witnesses expressing support for one or both of the amendments included The American Legion, the Vietnam Veterans of America, and the National Veterans Law Center, all of whom have been very active on the Agent Orange issue. I believe that the testimony at the hearing demonstrates the merit of the two amendments.

Ray, I have enclosed a copy of the two amendments together with a copy of section 307 of Public Law 96-151 as it would be amended by the two amendments. I would appreciate it, once you have had an opportunity to study the two amendments, if you and I together with Dave Satterfield and Sonny Montgomery, could get together briefly to discuss the prospects for including these amendments in any agreement on the education or compensation bill.

Thank you, Ray, for your consideration of my request, I look forward to hearing from you at your earliest convenience.

With warm regards,

Cordially,

Alan Cranston, *Chairman.*

September 17, 1980.

Hon. Alan Cranston,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Thank you for your letter of September 16 concerning the amendment to S. 1188 recently adopted by the Senate relating to Agent Orange.

As you know, Dave Satterfield and his Subcommittee have held extensive hearings on this issue during this session of the Congress, the latest one being yesterday.

Senator, I appreciate your concern about this matter; however, as you know, the Committee has relied totally on Dave in the past in determining how to proceed on this complex matter. He is most knowledgeable in the area and I must defer to his judgment, as I always have in the past, as to whether this amendment, or any compromise thereto, would be acceptable. If it is your desire to pursue this matter as an amendment to the education bill now pending before the two Committees, in my view, you should discuss the issue with Dave directly rather than with the Members you propose. Our Members would prefer to rely on Dave's judgment in this case.

Sincerely,

Ray Roberts, *Chairman.*

Mr. Cranston. Mr. President, as I noted in my September 16 letter to Chairman Roberts, our committee's hearings on September 10 on agent orange issue had as a primary focus to receive testimony on the two agent orange amendments by the Senate as part of S. 1188. As I also noted, a number of witnesses at that hearing expressed general support for one or both of the amendments.

Mr. President, I obviously would prefer that—with the germaneness problem removed—action be taken during this Congress, and I hope the other body will give these a fair evaluation before the Congress adjourns sine die. Failing that, however, I believe the commitment I have received from the House committee leadership bodes well for appropriate and timely consideration early in the next Congress.

Mr. President, in order that all Senators and the public may fully understand the provisions of the compromise agreement, I ask unanimous consent that there be printed in the Record at this point in lieu of a joint explanatory statement accompanying a conference report, a document, also inserted in the Record during consideration in the other body yesterday, entitled "Explanatory Statement, H.R. 5288, the Veterans' Rehabilitation and Education Amendments of 1980," followed by a cost estimate from the Congressional Budget Office.

There being no objection, the explanatory statement and the CBO cost estimate were ordered to be printed in the Record, as follows:

Explanatory Statement

For the purposes of this explanatory statement, the "House bill" refers to H.R. 7394 as passed by the House of Representatives on July 21, 1980, the "Senate amendment" refers to H.R. 5288 as passed by the Senate on January 24, 1980, and the "Senate bill" refers to S. 1188 as passed by the Senate on September 4, 1980.

Rather than noting each place in the compromise agreement where a clarifying or other technical amendment or a correction has been made in a provision contained in the agreement, the Committees would point out at the outset that, in the course of the extensive discussions regarding and redrafting of the various provisions contained in the compromise agreement, such drafting changes have been made in nearly all such provisions.

TITLE I—REHABILITATION AMENDMENTS

Both the House and Senate bills would restructure and make substantial improvements in present chapter 31 of title 38, United States Code, relating to the VA's vocational rehabilitation program for certain service-connected disabled veterans.

Purposes

Both the House and Senate bills would provide that the purposes of chapter 31 are to provide all services necessary to enable an eligible veteran with service-connected disabilities to become employable and to obtain and maintain suitable employment. In addition, both bills would include, among those purposes the provision of services to enable such veterans to achieve maximum independence—the Senate bill more specifically referring to maximum independence in daily living, a term defined in the Senate bill as incorporating the concept of the ability to live and function in one's family and community. Also, the Senate bill, but not the House bill, would also specify the provision of all necessary assistance—for example, allowances and monetary and material items.

The House recedes.

Definitions

The House bill, but not the Senate bill, would define the term "employment handicap" as a disability the limiting effects of which impair the individual's ability to prepare for, obtain, or retain suitable employment. In the House bill, this term is used in setting the threshold requirements for chapter 31 eligibility—only those who have a compensable service-connected disability and need vocational rehabilitation because of an employment handicap are eligible.

The Senate recedes.

The Senate bill, but not the House bill, would define the term "independence in daily living" to mean the ability of a veteran without—or with reduced levels of—the services of others, to live and function within the veteran's family and community. In the Senate bill, the term is used in various sections of revised chapter 31 and is intended to incorporate in chapter 31 the concept of independent living in section 701 of the Rehabilitation Act of 1973 (29 U.S.C. 720).

The House recedes.

The Senate bill, but not the House bill, would define the term "medical condition" to mean a disability, including an alcohol or drug dependence or abuse disability, or combination of disabilities. The term is used in the Senate bill only in the provision pertaining to extensions of periods of eligibility, and the inclusion of an alcohol or drug dependence or abuse ability within the definition would—consistent with a comparable provision, section 201(a) of the Senate amendment amending the GI Bill delimiting-period provision (as described below in title III)—provide for a tolling of the period of eligibility during a period when an alcohol or drug disability prevented a veteran who later recovered from that disability from participating in a chapter 31 program.

The Senate recedes. The Committees note that, in deleting this definition, and the comparable provision in section 201(a) of the Senate amendment from the compromise agreement, they are taking no position as to whether such a provision is necessary in order to authorize the VA to toll the chapter 31 delimiting period in such cases.

The Senate bill, but not the House bill, would define the term "program of education" to have the same meaning as that provided in section 1652(b) of title 38. In the Senate bill, the term is used in the provision that would permit certain chapter 31 participants to elect to receive an allowance—in lieu of a subsistence allowance and certain other assistance provided for in chapter 31—equivalent to the educational assistance allowance available for the pursuit of a comparable program of education under chapter 34, the GI Bill.

The House recedes.

The Senate bill, but not the House bill, would define the term "program of independent living services and assistance" to include the services necessary to enable a veteran to achieve independence in daily living and the assistance authorized under chapter 31 for the veteran. In the Senate bill, this term is used in provisions entitling a veteran who is so severely disabled that the achievement of a vocational goal is not reasonably feasible to participate under certain circumstances in such a program and establishing a pilot program of independent living services and assistance for such veterans.

The House recedes.

The Senate bill, but not the House bill, would define the term "rehabilitated to the point of employability" to mean rendered employable in an occupation for which a veteran has been rehabilitated under this program. In the Senate bill, this term is used primarily to denote veterans for whom certain extensions of periods of eligibility and months of entitlement and certain employment assistance are authorized.

The House recedes.

The Senate bill, but not the House bill, would define the term "rehabilitation program" to mean either a vocational rehabilitation program or a program of independent living services and assistance. In the Senate bill, the term is used in various provisions to mean either type of program included in this definition, as appropriate in the individual case.

The House recedes.

The Senate bill, but not the House bill, would define the term "serious employment handicap" as a significant impairment of an individual's ability to prepare for, obtain, and retain suitable employment. In the Senate bill, the term is used in provisions focusing certain services on and limiting the benefit of certain provisions to those with such handicaps.

The House recedes.

The Senate bill, but not the House bill, would define the term "vocational goal" to mean a gainful employment status consistent with the veteran's abilities, aptitudes, and interests. In the Senate bill, the term is used in various provisions specifying the type of program to be provided to a veteran depending on whether the achievement of a vocational goal is or is not reasonably feasible or the possibility of achieving such a goal cannot be determined.

The House recedes.

The House bill and the Senate bill would define the terms "vocational rehabilitation" and "vocational rehabilitation program", respectively. Each bill would provide that the term includes the services needed to accomplish the purposes of the chapter and specify various services which may be rendered to a veteran to achieve the goals of employability, employment, and maximum independence. The Senate bill would specify a wider range of services—adding counseling, independent living, educational, and employment services—and would expressly provide that, in the case of a veteran as to whom no determination has been made that the achievement of a vocational goal is not reasonably feasible, a vocational rehabilitation program includes services necessary to determine whether a vocational goal is reasonably feasible, improve the veteran's potential to participate in a program of services leading to such a goal, and enable the veteran to achieve maximum independence in daily living. In addition, the Senate bill woud provide explicitly that, when it has been determined that a vocational goal is reasonably feasible for the veteran, the vocational rehabilitation program would also include services necessary to help the veteran become employable and suitably employed.

The House recedes.

Basic entitlement

Both the House and Senate bills would provide entitlement under chapter 31 to an individual who has a service-connected disability compensable under chapter 11 of title 38 or is pending discharge while hospitalized in a hospital under the jurisdiction of the Secretary of Defense. The House bill, but not the Senate bill, would also require that, to be eligible for chapter 31 benefits, a veteran be in need of vocational rehabilitation because of an employment handicap. The Senate bill, but not the House bill, would provide entitlement to an individual receiving military retirement pay in lieu of compensation.

The Senate recedes on the requirement of the need for vocational rehabilitation. The House recedes on the provision of entitlement to those receiving retirement pay in lieu of compensation. The compromise agreement would provide entitlement to an individual pending discharge while hospitalized, in a hospital under the jurisdiction of the Secretary of the Department concerned, only if the individual is hospitalized for a disability that the Administrator determines would be reasonably likely to be compensable under chapter 11 of title 38 if the individual was a veteran.

Periods of eligibility

Both the House and Senate bills would provide for a basic period of eligibility to benefits under this chapter. The House bill would provide for a 9-year basic period of eligibility, and the Senate bill would provide for a 10-year period.

The compromise agreement would provide for a 12-year basic period of eligibility, consistent with the historical practice of making the chapter 31 delimiting period greater than that for chapter 34 (extended to 10 years in 1976).

Both the House and Senate bills would provide for extensions of the basic period of eligibility if it was medically infeasible for the veteran to participate in a rehabilitation program, if a veteran was prevented from participating in such a program because the veteran was not discharged under conditions other than dishonorable and the discharge was later changed, or if the veteran had not previously established the existence of a service-connected disability (compensable in the House bill and compensable under chapter 11 of title 38 in the Senate bill). The Senate bill, but not the House bill, would also provide for an extension of the period of eligibility if a veteran did not receive a discharge under conditions other than dishonorable if the veteran later received a favorable character of service determination by the Administrator or if the discharge or dismissal had been determined to be a bar to benefits but such bar was later removed by the Administrator. The Senate bill, but not the House bill, would limit the availability of an extension of the basic period of eligibility where the existence of a service-connected disability compensable under chapter 11 of title 38 had not previously been established to those veterans who have a serious employment handicap. Under the House bill, the extension would be an additional four-year period beyond the basic period of eligibility. Under the Senate bill, the basic period of eligibility would be tolled while the veteran is prevented from participating in a rehabilitation program.

The House recedes on the provision allowing an extension if a favorable character of service determination is made by the Administrator or if a bar to benefits is removed by the Administrator. The Senate recedes to the reference to any compensable service-connected disability with respect to a subsequent determination of same and on the requirement that the veteran have a serious employment handicap to be eligible for an extension based upon the establishment of a compensable service-connected disability subsequent to the veteran's discharge or release. The House recedes on the provision relating to the length and measurement of extensions.

Both the House and Senate bills would also authorize extensions, as the Administrator determines to be necessary, of the applicable period of eligibility for certain more seriously disabled veterans under certain circumstances—the House bill for a veteran who is blind or who has another serious service-connected disability, the Senate bill for a veteran with a serious employment handicap. Both the House and Senate bills would provide for an extension in such cases if the veteran had not been previously rehabilitated as a result of training under this chapter, or, if the veteran had previously been rehabilitated under this chapter, but the veteran could no longer perform the duties of the occupation for which the veteran was previously trained because of a worsening, in the House bill, or a change, in the Senate bill, of the veterans' service-connected disability. The Senate bill, but not the House bill, would also provide for such an extension for a veteran previously rehabilitated under chapter 31 of the occupation for which such veteran was trained proved not to be appropriate. The Senate bill, but not the House bill, would also allow such an extension of the applicable period of eligibility for a veteran with a serious employment handicap as the Administrator determines, under regulations that the Administrator shall prescribe, is necessary to carry out the purposes of chapter 31.

The House recedes on limiting the availability of such extensions to only veterans with serious employment handicaps. The Senate recedes on the requirement that a previously-rehabilitated veteran's service-connected disability has "changed". The House recedes on the issue of allowing an extension of the applicable period of eligibility for a previously-trained veteran if the occupation for which the veteran was trained is not suitable. The House recedes on the provision authorizing such extension for a veteran with a serious employment handicap as the Administrator determines to be necessary.

The Senate bill, but not the House bill, would allow an extension of the applicable period of eligibility for a program of independent living services and assistance for a veteran for whom it has been determined that a vocational goal is not reasonably feasible, if the Administrator determines that an extension is necessary for such veteran to achieve maximum independence in daily living.

The House recedes.

Scope of service and assistance

Both the House and Senate bills would specify a wide range of services which the Administrator may provide under chapter 31. The Senate bill, but not the House bill, would require that the Administrator prescribe regulations pursuant to which such services would be provided.

The House recedes.

Both the House and Senate bills would provide for evaluation services to determine the veteran's potential for rehabilitation and whether the veteran's disability causes an employment handicap (a serious employment handicap in the Senate bill) to provide a basis for planning a rehabilitation (vocational rehabilitation in the Senate bill) program for the veteran or a program of services to improve the rehabilitation (vocational rehabilitation in the Senate bill) potential of the veteran. The Senate bill, but not the House bill, would expressly provide for periodic reevaluation as appropriate. In addition, the House bill would provide for evaluation to determine whether a rehabilitation goal is feasible for the veteran; the Senate bill, whether a vocational goal is feasible. The Senate bill, but not the House bill, would authorize evaluation to provide a basis for planning a program to improve the independent living status of the veteran.

The House recedes.

Both the House and Senate bills would provide for educational, vocational psychological, employment, and personal adjustment counseling.

The compromise agreement contains this provision.

Both the House and Senate bills would provide for a variety of vocational and other training services and assistance. The Senate bill, but not the House bill, would allow such services and assistance to be provided only as determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case.

The House recedes.

Both the House and Senate bills would provide for prosthetic appliances, eyeglasses, and other corrective devices. The Senate bill, but not the House bill, would also provide for assistive devices.

The House recedes.

Both the House and Senate bills would provide for special services relating to blindness and deafness.

The compromise agreement would clarify that these services could be provided, as determined to be necessary by the Administrator, to eligible veterans other than those who are blind and deaf.

Both the House and the Senate bills would allow the most severely disabled veterans requiring homebound training, self-employment training, or both, to receive such essential equipment, supplies, and minimum stocks as the Administrator determines to be necessary for the veteran to begin employment, within criteria and cost limitations as the Administrator shall prescribe in regulations. The Senate bill, but not the House bill, would allow the provision of license fees to such a veteran under the same criteria and cost limitations.

The House recedes.

Both the House and Senate bills would provide for a comprehensive range of health-care services; for placement and postplacement services; for necessary services to the veteran's family; for allowances, including word-study allowances as authorized under the chapter 34 GI Bill program; for travel and incidental expenses, including a special transportation allowance for extraordinary travel expenses; and for chapter 31 loans.

The compromise agreement includes these provisions.

The House bill, but not the Senate bill, would provide discretionary authority for the provision of other incidental goods and services determined by the Administrator to be necessary in the individual case.

The Senate recedes.

The Senate bill, but not the House bill, would provide that a program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973.

The House recedes.

Both the House and Senate bill would provide that a rehabilitation program—including individual courses—shall be subject to the Administrator's approval.

The compromise agreement contains this provision

Duration of services

Both the House and Senate bills would generally limit to twelve months the duration of evaluation—referred to as "extended evaluation" for a veteran with a serious employment handicap in the Senate bill—of a veteran as to whom it is undetermined whether the achievement of rehabilitation, in the House bill, or a vocational goal, in the Senate bill, is possible. The House bill would allow a longer period of time as prescribed by the Administrator. The Senate bill would allow this evaluation period to be extended for additional increments of up to six months each if the Administrator determines that, during the six-month period, it is reasonably likely that a determination can be made as to the feasibility of the achievement of a vocational goal for the individual veteran.

The House recedes.

Both the House and Senate bills would generally provide that a vocational rehabilitation program may not exceed a period of forty-eight months following a determination that the achievement of a vocational goal is reasonably feasible. The Senate bill would provide for an additional period of not to exceed eighteen months for counseling and placement and postplacement services only for a veteran with a serious employment handicap.

The House recedes with an amendment to delete the requirement that only a veteran with a serious employment handicap would be eligible for the extension for counseling and placement and postplacement services.

The House bill would allow extensions, as prescribed by the Administrator, of the 48-month period for vocational rehabilitation. The Senate bill would provide that, in the case of a veteran with a serious employment handicap, the Administrator may extend the period of vocational rehabilitation to the extent necessary to enable the veteran to achieve a vocational goal if the veteran had been previously rehabilitated to the point of employability but the veteran's service-connected disability had changed so as to preclude the performance of the duties of the occupation for which such veteran was trained or the occupation for which the veteran was trained was inappropriate in light of the veterans' employment handicap or abilities, or if the Administrator determines, under regulations which the Administrator shall prescribe, that an extension is necessary to carry out the purpose of chapter 31.

The House recedes with an amendment to delete the requirement that only a veteran with a serious employment handicap would be eligible for an extension based on a worsening of the veteran's disability or the inappropriateness of the occupation for which the veteran has trained.

The Senate bill would provide that the period of a program of independent living services and assistance for a veteran as to whom it has been determined that a vocational goal is not reasonably feasible may not exceed twenty-four months, unless the Administrator determines that a longer period is necessary and would likely result in a substantial increase in the veteran's level of independence in daily living. The House bill has no specific provisions for such a program.

The House recedes.

Evaluations

The Senate bill, but not the House bill, would provide for an initial evaluation to determine if the veteran has a serious employment handicap and if the achievement of a vocational goal is reasonably feasible and, if so, require that the veteran be provided counseling in accordance with an individualized written plan of vocational rehabilitation; would provide that extended evaluation—consisting of evaluation services and such other services under chapter 31 as the Administrator determines to be necessary to improve such veteran's potential for participation in a program designed to achieve a vocational goal and enable such veteran to achieve the maximum independence in daily living, and a subsistence allowance—shall be provided for a veteran who has been determined to have a serious employment handicap but for whom a determination as to the feasibility of the achievement of a vocational goal has not been made; would require the Administrator to determine as expeditiously as possible whether the achievement of a vocational goal is reasonably feasible and resolve any reasonable doubt in favor of determining that such achievement is reasonably feasible; and would require the Administrator to assign a Veterans' Administration employee, a case manager, to be responsible for the management and follow-up of the provision of services and assistance in connection with each period of extended evaluation and each rehabilitation program for a veteran who is determined to have a serious employment handicap.

The House recedes.

Counseling

The House bill would provide for mandatory initial counseling, subject to regulations which the Administrator shall prescribe, for all chapter 31 participants and necessary counseling during any period in which a veteran is undergoing evaluation, training, or posttraining assistance. The Senate bill would provide for mandatory counseling only for a veteran with a serious employment handicap, require, in such cases, that counseling be included as part of the individualized written plan, and provide that counseling for other chapter 31 participants may be provided as determined to be necessary under regulations to be prescribed by the Administrator.

The House recedes.

Individualized written plans

Both the House and Senate bills would require the formulation of an individualized written plan of vocational rehabilitation. The House bill would provide that such a plan shall be formulated for each veteran pursuing a program of vocational rehabilitation and that the veteran participate in the formulation of such plan. The Senate bill would require that such plans be formulated only for a veteran with a serious employment handicap, that the plan be developed jointly with such veteran, and that the plan identify the case manager assigned to the veteran.

The House recedes on the serious employment handicap requirement and on the provision for the plan to be developed with the veteran with an amendment, striking the word "jointly". The Senate recedes on identifying the case manager in the plan.

Both the House and Senate bills would provide that the individualized written plan be reviewed at least annually and revised as appropriate. The Senate bill, but not the House bill, would require that the veteran be afforded the opportunity to participate in each review, and that, based on the review, the Administrator redevelop the plan jointly with the veteran as appropriate.

The House recedes with an amendment to strike the word "jointly".

The Senate bill, but not the House bill, would provide for a special review process if the veteran disagrees with the development, redevelopment or denial of redevelopment of the plan.

The House recedes.

Allowances

Both the House and Senate bills would provide for the payment of a subsistence allowance during a period of the veteran's participation in a rehabilitation program. The House bill would provide for the payment of a subsistence allowance to a veteran during a period of evaluation, and the Senate bill, only in the case of extended evaluation. The House bill would provide for the payment of a subsistence allowance at the full-time rate prescribed for the type of program the veteran had been pursuing for the two-month period following vocational rehabilitation of a veteran who is determined to be employable, and the Senate bill would provide for such a two-month payment only for a veteran with a serious employment handicap.

The House recedes on the payment of subsistence allowance during a period of initial evaluation. The Senate recedes on the serious employment handicap requirement for the two-month post training payments.

Both the House and Senate bills would provide for increases in the rates of monthly subsistence allowances. The House bill would provide for a 17-percent increase, and the Senate bill, a 10-percent increase.

The Senate recedes.

The Senate bill would provide categories of new rates—commensurate with existing rates as proposed to be increased in the Senate bill—for extended evaluation and for independent living training. The House bill would provide for new categories of rates for evaluation and improvement of rehabilitation potential—commensurate with existing rates as proposed to be increased in the House bill.

The House recedes on the new categories of rates to be established. The Senate recedes on the level of the new rates so as to make them consistent with the levels provided in the House bill.

Both the House and Senate bills would provide that, if a vocational rehabilitation program includes on-job training in any month, the employer must submit a written statement to the Administrator showing any income provided to the employee for that month and that, based upon such statement the Administrator may reduce the veteran's subsistence allowance to an amount considered equitable and just. The Senate bill, but not the House bill, would require the administrator to prescribe regulations establishing criteria for any such reductions.

The House recedes.

Both the House and Senate bills would provide for the payment of a subsistence allowance to a veteran pursuing on-job training or work experience without pay as part of a vocational rehabilitation program. The House bill would provide that such a veteran shall be paid a subsistence allowance at the full-time institutional rate. The Senate bill would provide that the subsistence allowance shall be paid at the appropriate institutional rate and would treat a veteran in such a program who is receiving nominal pay for such on-job training or work experience on the same basis as one receiving no pay.

The House recedes.

Both the House and Senate bills would require the Administrator to define full-time and part-time status for veterans participating in a rehabilitation program under this chapter. The Senate bill, but not the House bill, would require that the defining be done in accordance with regulations that the Administrator shall prescribe consistent with regulations promulgated under chapter 34, for determining full- and part-time status.

The compromise agreement requires that regulations be prescribed for this purpose.

The Senate bill, but not the House bill, would provide for the payment, in accordance with regulations that the Administrator shall prescribe, of a proportional substances allowance to a veteran participating in extended evaluation on less than a full-time basis.

The House recedes.

Both the House and Senate bills would provide that, in the case of a veteran pursuing a rehabilitation program on a residential basis in a specialized rehabilitation facility, the Administrator may pay the cost of the veteran's room and board to such facility and may pay to the veteran the portion of the subsistence allowance for dependents as determined by the veteran's dependency status. The Senate bill, but not the House bill, would allow such payments to a facility only for a veteran in a full-time residential program and only upon the request of the veteran and would expressly provide that such payments would be in lieu of a subsistence allowance (other than any portion payable for dependents).

The Senate recedes on the full-time requirement and on the need for a veteran to request such payment. The House recedes on the provision that would expressly provide that such payments would be in lieu of a subsistence allowance.

The Senate bill would allow a veteran with entitlement to and eligibility for benefits under chapter 34 of title 38 and who wishes to pursue a vocational rehabilitation program under chapter 31 to elect to receive a chapter-34-equivalent allowance in lieu of certain assistance provided under this chapter. The House bill would amend chapter 34 to permit a veteran who is eligible for chapter 31 benefits to elect to pursue a vocational rehabilitation plan using his or her chapter 34 assistance entitlement and would provide that any veteran doing so would be considered for all purposes to be pursuing a vocational rehabilitation program under chapter 31, except that such veteran would not be eligible for such certain assistance (but excluding personal and work adjustment training) provided under this chapter.

The House recedes.

The House bill would prohibit the payment of a subsistence allowance to a veteran who is incarcerated in a Federal, State, county, or local prison or jail. The Senate bill would provide that a subsistence allowance payable to a veteran while incarcerated be withheld and paid to veteran upon release and be paid to such veteran's dependents if the veteran and dependents so request, and would provide for the full payment of subsistence allowance to a veteran pursuing a rehabilitation program while residing in a halfway house or participating in a work-release program.

The compromise agreement would provide as follows:

(1) In the case of a veteran incarcerated for the conviction of a felony, no subsistence allowance may be paid.

(2) In the case of a veteran pursuing a program while residing in a halfway house or participating in a work-release program, the full subsistence allowance would be paid unless a governmental entity to paying for all of the veteran's living expenses.

(3) An apportioned amount of an educational assistance allowance may continue to be paid to the veteran's dependent or dependents if such apportionment was made prior to the date of enactment.

The Senate bill, but not the House bill, would provide for the payment of a subsistence allowance to a veteran pursuing a rehabilitation program while receiving care in a VA or contract medical facility for 30 days, and after 30 days, would provide that the allowance would accrue, be withheld, converted to securities, paid to such veteran upon discharge from such a facility, and paid to dependents on generally the same basis as provided in the Senate bill with respect to incarcerated veterans, except that the Administrator would be required, upon the request of the veteran, to the monthly allowance to the veteran to the extent determined to be necessary for the veteran to meet his or her continuing financial obligations.

The compromise agreement would limit the payment of a subsistence allowance to a veteran who is receiving compensation at the rate for 100-percent disabled veterans as the result of hospitalization in a VA or other facility at VA expense (under VA regulations, 38 C.F.R. § 4.29, an increase to the 100 percent is provided a veteran whose service-connected disability is rated at less than 100 percent after the 21st consecutive day of hospitalization for that disability) so that the allowance would not exceed, when added to the amount of compensation the veteran is receiving, the greater of the sum of the compensation amount and the subsistence allowance amount the veteran would receive if not hospitalized or the compensation amount paid a veteran rated 100-percent disabled.

Entitlement under certain circumstances to a program of independent living services and assistance

The Senate bill, but not the House bill, would provide entitlement to certain compensable service-connected disabled veterans to a program of independent living services and assistance, pursuant to the provisions discussed below establishing a pilot program for veterans for whom it has been determined that achievement of a vocational goal is not reasonably feasible.

The House recedes.

Satisfactory conduct and cooperation

Both the House and Senate bills would require the Administrator to prescribe rules and regulations to maintain satisfactory conduct and cooperation for chapter 31 participants, and would provide that, if a veteran fails to maintain satisfactory conduct and cooperation, services and assistance under this chapter may be discontinued and reinstituted, upon the determination of the Administrator that the cause of the unsatisfactory conduct and cooperation has been removed. The Senate bill, but not the House bill, would require that, prior to any discontinuation of chapter 31 benefits, the Administrator determine that all reasonable counseling efforts have been made and are not likely to be effective, and would require that prior to reinstituting benefits, the Administrator determine that the rehabilitation program that the veteran proposes to pursue is suitable.

The House recedes.

Revolving fund loans

The House bill would increase the maximum amount of loans that may be made from the chapter 31 revolving fund to $400; the Senate bill, to an amount equal to twice the amount of the full-time institutional monthly subsistence allowance for a veteran with no dependents—$584 as a result of the 17-percent increase provided for the compromise agreement. Both bills would add subsistence allowances and educational allowances to the categories of future VA payments to the veteran from which loan-repayment installments may be deducted.

The House recedes.

Return of books, supplies, and equipment

The House bill, but not the Senate bill, would repeal present section 1509, which provides that any books, supplies, and equipment furnished to a veteran under this chapter shall be deemed released to such veteran except that if, through the veteran's fault, the veteran failed to complete the course involved, the Administrator may require that such books, supplies, and equipment be returned, and may be returned to the educational or training institution for credit or be disposed of by the institution in such other manner as the Administrator approves.

The Senate recedes.

Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

Both the House and Senate bills would provide that chapter 31 benefits may be provided to an individual who is hospitalized pending discharge or release if such individual would be otherwise eligible, but that, in such cases, no subsistence allowance may be paid.

The compromise agreement would clarify that, for such an individual to be eligible for benefits under this section, he or she must be suffering from a disability which the Administrator determines is likely to be compensable under chapter 11 of title 38.

Both the House and Senate bills would provide that chapter 31 benefits may be provided to a veteran receiving care in a VA hospital or domiciliary. The Senate bill would also authorize the provision of benefits to a veteran receiving care in a VA nursing home. Both bills would also authorize the provision of benefits to veterans in any other hospital or medical facility, but, under the House bill, only where feasible.

The House recedes.

Vocational rehabilitation outside the United States

Both the House and Senate bills would provide that vocational rehabilitation under this chapter may be provided outside of the United States, under regulations which the Administrator shall prescribe, if it is determined to be necessary in the particular case to render the veteran employable in a suitable occupation and if it is in the best interest of the veteran and the Federal Government. The Senate bill, but not the House bill, would also provide a program of vocational rehabilitation if necessary to enable the veteran to obtain and retain suitable employment.

The House recedes.

Rehabilitation resources

Both the House and Senate bills would provide that the Administrator may use any facilities of any Federal agency to provide training or work experience as part or all of a vocational rehabilitation program without pay when the Administrator determines it to be necessary to accomplish the veteran's rehabilitation. Both bills would also provide that such veteran shall be deemed an employee of the United States for purposes of chapter 81 of title 5, United States Code, concerning compensation for work injuries, but not for purposes of laws administered by the Office of Personnel Management. The Senate bill, but not the House bill, would provide that such training or work experience may be provided for nominal pay.

The House recedes.

Both the House and Senate bills would authorize the VA, through contracts or other cooperative arrangements, to use the facilities and services of any Federal agency, agencies maintained by joint Federal and State contributions, private institutions and establishments, and private individuals.

The compromise agreement includes these provisions and further provides for the use of the facilities and services of any State or other public agency and any public institution or establishment.

The Senate bill, but not the House bill, would provide that the use of facilities, staff, and other resources of the Department of Medicine and Surgery to provide rehabilitation services, including hospital care and medical services described in chapter 17, shall be procured through contract with that Department and that the amounts charged for such services be determined in accordance with the accounting principles used by that Department, subject to review and modification by the Administrator.

The Senate recedes.

The House bill, but not the Senate bill in the chapter 31 revision, would require the Administrator actively to promote the development and establishment of on-job training opportunities for service-connected disabled veterans through outreach to employers and coordination with Federal, State, and local governmental agencies and appropriate non-governmental agencies. The Senate bill would, in an amendment to existing section 220, require the Administrator to play an increased, active role with respect to advocacy of the implementation of existing laws and regulations relating to employment, training, and other opportunities for veterans, with particular emphasis on the needs of service-connected disabled veterans and other eligible veterans to whom the employment emphases in chapter 42 are applicable.

The Senate recedes with an amendment requiring that such promotional efforts be targeted on veterans who are or have been participating in a program of rehabilitation under this chapter, other service-connected disabled veterans, and other veterans with respect to whom the employment emphases set forth in chapter 42 of title 38 apply with particular emphasis being placed on the needs of categories of those veterans on the basis of applicable rates of unemployment.

Both the House and Senate bills would provide that payments may be made to employers, under regulations which the Administrator shall prescribe, for providing on-job training if the Administrator determines that such payment is necessary to obtain needed on-job training. The Senate bill, but not the House bill, would provide that the Administrator's regulations shall be made with the concurrence of the Secretary of Labor in light of the provisions of title V of the Rehabilitation Act of 1973, and section 2012 of title 38, and regulations prescribed thereunder, that payments may be made if the Administrator determines it necessary for a veteran to begin employment, that payments shall not exceed the direct expenses incurred by the employer in providing such on-job training or employment opportunity, and that if a veteran participates in on-job training that satisfies the criteria for payment of a training assistance allowance under section 1787 of title 38 and such veteran has eligibility for and entitlement to such allowance, the allowance shall be paid.

The House recedes with an amendment which would provide that the Administrator's regulations be made in consultation with the Secretary of Labor.

Both the House and Senate bills would generally provide for the furnishing of certain employment assistance to veterans who have participated in any (VA or non-VA) vocational rehabilitation program, and have been determined to be employable, including direct placement in employment and utilization of the placement services of programs under the Rehabilitation Act of 1973, the State employment service and the Veterans' Employment Service of the Department of Labor, the

Office of Personnel Management, and any other public or nonprofit organization with available placement services). The Senate bill, but not the House bill, would also provide for the use of personnel of the veterans' employment and training outreach program (proposed to be established under title II of the Senate bill) in furnishing such employment assistance; would include in such assistance any assistance necessary to assure that such veteran receives the benefit of any special consideration, emphasis, or preference for such veteran in employment and training under any applicable law or regulation; would limit the mandate of the furnishing of such assistance to only service-connected disabled veterans who have participated in a vocational rehabilitation program under chapter 31 or a similar program under the Rehabilitation Act of 1973; and would allow the provision of such employment assistance to be made available, only to the extent that resources are available, to a veteran without a service-connected disability who has participated in a vocational rehabilitation program and has been determined to be employable.

The House recedes with an amendment deleting the discretionary authority to provide employment assistance within available resources to a veteran who does not have a service-connected disability.

Both the House and Senate bills would require that, in the case of a veteran who has completed vocational rehabilitation for self-employment under chapter 31, the Administrator cooperate with the Small Business Administration (SBA) to assist the veteran to secure a loan for the purchase of equipment needed to establish the veteran's own business. The Senate bill, but not the House bill, would also require the Administrator to cooperate with the SBA to assure that such veteran receives the special consideration provided for in section 8 of the Small Business Act.

The House recedes.

Personnel training, development, and qualifications

Both the House and Senate bills would require the Administrator to provide a program of professional training and development for counseling and rehabilitation personnel involved in providing rehabilitation services to assure that such services are provided in accordance with the most advanced knowledge, method, and techniques available. To accomplish this, both bills would authorize the Administrator to employ consultants and to make grants to and contract with public or private agencies, including institutions of higher learning, to conduct such training and development.

The Senate bill, but not the House bill, would require the Administrator to establish qualifications for psychologists providing evaluation and rehabilitation services to veterans under chapter 31 and for case managers and, in establishing such qualifications, to take into account the provisions of section 4106(a)(10) of title 38, relating to qualifications of psychologists, and the qualifications established for comparable personnel under the Rehabilitation Act of 1973.

The House recedes with an amendment deleting the requirements that the Administrator take into account section 4106(a)(10).

Rehabilitation research and special projects

Both the House and Senate bills would require the Administrator to conduct and support studies and research concerning the psychological, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans and projects to increase resources and potential for rehabilitating veterans. The Senate bill, but not the House bill, would also require that the Administrator conduct and support studies and research concerning the educational and employment aspects of the rehabilitation of disabled veterans.

The House recedes.

The House bill would provide that the Administrator shall cooperate with the Secretary of Education regarding vocational rehabilitation studies, research, and special projects of mutual concern. The Senate bill would provide that the Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration (RSA) and the Director of the National Institute of Handicapped Research (NIHR) in the Department of Education, the Assistant Secretary for Veterans' Employment in the Department of Labor, and the Secretary of Health and Human Services in this regard.

The House recedes.

The Senate bill, but not the House bill, would establish a pilot program of independent living services and assistance—to be conducted under contracts with public or nonprofit agencies (including the VA's Department of Medicine and Surgery on a reimbursable basis) that have the demonstrated capacity to provide programs of independent living services and assistance for severely handicapped persons—during fiscal years 1982 through 1985 for a maximum of 500 veterans in each fiscal year who are entitled to a program of such services and assistance under chapter 31 and are selected under criteria to be prescribed in regulations, including, to the maximum extent feasible, substantial numbers of veterans receiving long-term care in VA hospitals and nursing homes and nursing homes with which the Administrator contracts for the care of veterans, and would provide that the Administrator shall report to the Congress, not later than September 30, 1984, on such programs of independent living services and assistance, including the accomplishments and cost effectiveness of such programs and the Administrator's recommendations for any legislative changes concerning the provision of such services and assistance.

The House recedes with an amendment deleting the reference to the provision in the Senate bill that would require contracts with the Department of Medicine and Surgery to be on a reimbursable basis since that provision, as discussed above in connection with rehabilitation resources, is not included in the compromise agreement.

Veterans' Advisory Committee on Rehabilitation

Both the House and Senate bills would provide for the establishment of a Veterans' Advisory Committee on Rehabilitation to be comprised of members appointed by the Administrator for terms not to exceed 3 years, one of whom the Administrator may appoint as chairperson of the Committee. The House bill would also provide that the RSA Commissioner and the Director of NIHR in the Department of Education and the Assistant Secretary of Labor for Veterans' Employment of the Department of Labor would be ex officio members. The Senate bill would provide that those officials would be members of the Committee, together with representatives of the Department of Medicine and Surgery and the Department of Veterans' Benefits of the Veterans' Administration and the Secretary of Health and Human Services, and that the membership must include service-connected disabled veterans as not less than one-half of the total membership, and individuals who have distinguished themselves in the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs.

The House recedes with an amendment deleting the requirement that service-connected disabled veterans constitute at least half of the membership, providing that such veterans be appropriately represented in the membership of the Committee, deleting the representative of the Secretary of Health and Human Services from the membership, and providing that all representatives of various Federal officials would be ex officio members.

Both the House and Senate bills would require the Veterans' Advisory Committee on Rehabilitation to submit an annual report on VA rehabilitation programs and activities to the Administrator and such other reports and recommendations to the Administrator and the Congress as the Committee determines appropriate. The Senate bill, but not the House bill, would provide that the annual report shall be submitted to the Congress as well as to the Administrator.

The compromise agreement would provide that the annual report, as well as any other reports and recommendations, of the Committee shall be submitted only to the Administrator, that the Administrator shall submit the Committee's annual report to the Congress in the Administrator's annual report to the Congress, and that the Administrator shall also include in that report any other reports and recommendations submitted to the Administrator by the Committee since the previous annual report of the Administrator was submitted to the Congress.

Evaluations after individual unemployability adjudication

The Senate bill, but not the House bill, would provide that the Administrator shall provide for a comprehensive diagnostic evaluation for a veteran who has been determined to be totally disabled on the basis of the veteran's individual unemployability resulting from a service-connected disability if the Administrator believes that such veteran has the potential for vocational rehabilitation and employment.

The Senate recedes.

Bar to payment of subsistence allowance to active-duty personnel

Both the House and Senate bills would amend section 1781 to add a reference to the chapter 31 subsistence allowance to the existing provisions barring the payment of chapter 34, 35, or 36 allowances to an individual who is on active duty in the Armed Forces and is pursuing a course of education which is being paid for under certain Federal programs. For the purposes of this provision, the term "subsistence allowance" would be specifically defined to include a chapter-34-equivalent allowance paid pursuant to new section 1508(f).

The compromise agreement contains this provision.

Maximum aggregate period of assistance

Both the House and Senate bills would amend section 1795, generally limiting to 48 months the aggregate period for which a person may receive assistance under the laws cited therein, to delete chapter 31 from—and include chapter 32, relating to the post-Vietnam-era veterans' educational assistance program in—the listing of the laws to which that limit applies, and to provide that no person could receive assistance under chapter 31 in combination with assistance under those laws for a period in excess of 48 months, unless the Administrator determines that additional months of benefits under chapter 31 are required to accomplish the rehabilitation purposes set forth in chapter 31.

The compromise agreement contains these provisions.

Effective dates

The House bill would provide that title I would take effect on the first day of the first month beginning after the end of the 60-day period beginning on the date of enactment. The Senate bill would provide that title I shall become effective on October 1, 1980, except that, under grandfathering provisions for veterans participating in a program of vocational rehabilitation under chapter 31 of title 38 on September 30, 1980, (1) an individualized written plan shall be formulated (under new section 1507) for such veterans to the extent that and at such times as the Administrator determines feasible and on the basis of priorities that the Administrator shall prescribe, and (2) extensions of delimiting periods and months of entitlement may be granted such veterans without regard to the requirement that the veteran be determined to have a serious employment handicap.

The compromise agreement would provide a general effective date for the revisions of chapter 31 made by the compromise agreement of April 1, 1981, except that the provisions relating to allowances (new section 1508), revolving fund loans (new section 1512), promotion of employment and training opportunities (new section 1516), personnel training, development, and qualifications (new section 1518), rehabilitation research and special projects (new section 1519), pilot program of independent living services and assistance (new section 1520), and Veterans' Advisory Committee on Rehabilitation (new section 1521) would become effective on October 1, 1980. The compromise agreement would also make clear that the provisions of chapter 31 in effect on September 30, 1980, would remain in effect until March 31, 1981, except for the provisions relating to subsistence allowances (present section 1504) and chapter 31 loans (new section 1507), which would be superseded on October 1, 1980, by new sections 1508 and 1512, respectively, of the compromise agreement. The House recedes on the grandfathering provisions in the Senate bill with an amendment to make those provisions applicable to veterans participating in a program of vocational rehabilitation on March 31, 1981.

TITLE II—GI BILL RATE INCREASES

Both the House and Senate bills would provide for a 10-percent increase in the rates of educational assistance allowances paid under chapters 34, Veterans' Educational Assistance, 35, Survivors' and Dependents' Educational Assistance, and 36, Administration of Educational Benefits. The House bill, but not the Senate bill, would also provide for a 10-percent increase in allowances under chapter 36 for administrative expenses incurred by State approving agencies. The House bill would provide for such increases effective October 1, 1980; the Senate bill, effective January 1, 1981.

The compromise agreement provides for 5-percent increases effective October 1, 1980, and the remainder of the 10-percent increases effective January 1, 1981.

TITLE III—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

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Advisory committee on veteran's educational assistance programs

The House bill, but not the Senate bill or amendment, would amend chapter 36 to revise the authority for the Administrator's advisory committee on educational assistance programs to delete chapter 31 (rehabilitation) from and add chapter 32 (post-Vietnam era educational assistance program) to the committee's responsibilities; to add to the membership of the Committee a veteran of the post-Vietnam era; to provide that the Deputy Assistant Secretary of Labor for Veterans' Employment and the Assistant Secretary of Education for Postsecondary Education shall serve as ex officio members in lieu of the Administrator of the Manpower Administration and the Commissioner of Education; and to specify a termination date of December 31, 1989, for the committee.

The Senate recedes with an amendment recognizing the elevation of the Deputy Assistant Secretary to the assistant secretarial level (in title V of the compromise agreement) and providing that the Secretary of Education may designate an appropriate comparable departmental official to serve on the committee other than the Assistant Secretary of Education for Postsecondary Education.

TITLE IV—POST-VIETNAM ERA VETERANS' EDUCATIONAL PROGRAM (VEAP) ADJUSTMENTS

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TITLE V—VETERANS' EMPLOYMENT ASSISTANCE ADJUSTMENTS

Promoting the development and establishment of employment, training, and other opportunities for veterans

The Senate bill, but not the House bill, would amend subchapter IV, Veterans' Outreach Services Program, of chapter 8 to require the Administrator, in cooperation with the Secretary of Labor, to seek actively to promote the development and establishment of employment, training, and related opportunities for veterans.

The House recedes with an amendment changing "cooperation" to "consultation". The Committees urge that a supplemental budget request for fiscal year 1981 be submitted for the VA's general operating expenses account to support such increased VA advocacy, outreach, and promotional activities.

Amendments related to apprenticeship and other on-job training

The Senate bill, but not the House bill, would amend chapter 35 to make explicit that the Administrator is directly responsible and accountable for the promotion, development, and approval of programs of training on the job, and provide that in carrying out this responsibility the Administrator may use the services of the veterans' employment and training outreach program specialists as proposed to be codified in chapter 42.

The House recedes with an amendment deleting the reference to the Administrator's direct responsibility for OJT approval and the reference to veterans employment and training outreach program specialists' involvement in approvals. The Committees wish to stress that the only effect of the provision in the compromise agreement is to make the Administrator explicitly responsible for seeking actively to promote the development of programs of training on the job and authorizing the Administrator, in carrying out this requirement, to use the services of disabled veterans outreach program specialists—a program codified in provisions of this title discussed below. The Committees call attention to the provision in existing section 1771(b) which provides for the Administrator to assume directly the approval function in the case of any State which fails or declines to create or designate a State approving agency.

Criteria for approval of programs of training on the job

The Senate bill, but not the House bill, would amend chapter 36 to update and streamline the criteria for approval of programs of training on the job.

The Senate recedes.

Assistant Secretary of Labor for Veterans' Employment

The Senate amendment, but not the House bill, would amend chapter 41, Job Counseling, Training and Placement Services for Veterans, to elevate the position of Deputy Assistant Secretary of Labor for Veterans' Employment to the level of Assistant Secretary and to provide that the incumbent Deputy Assistant Secretary may continue to serve in that position until an Assistant Secretary is appointed by the President and confirmed by the Senate.

The House recedes.

Secretarial support for State veterans' employment representatives

The Senate bill, but not the House bill, would amend chapter 41 to require the provision by the Department of Labor of direct secretarial support to veterans' employment representatives assigned to the States.

The House recedes.

Disabled veterans' outreach program

The Senate bill, but not the House bill, would amend chapter 41 to establish a new Department of Labor-supported, state-operated veterans' employment and training outreach program (VETOP), modeled after the successful disabled veterans' outreach program (DVOP), and to authorize VETOP employees to be used to promote the development of and approve programs of apprenticeship or other on-job-training for the purposes of GI Bill benefit.

The House recedes with an amendment that would retain the DVOP name and delete the authority for DVOP employees to become involved in approvals of programs of training on the job.

Emphasis on veterans of the Vietnam Era and disabled veterans

The House bill would amend chapter 41 to delete the requirement for the Secretary to place particular emphasis on the needs of veterans who have been recently discharged. The Senate amendment would add to the existing requirement a requirement for program emphasis on veterans of the Vietnam era and disabled veterans.

The compromise agreement incorporates both these provisions.

Revision of the annual report

Both the House bill and the Senate amendment revise the specified contents of the Secretary of Labor's annual report on services to veterans. The House bill would require the Secretary to report on the number of certain veterans placed in jobs expected to last 150 days; the Senate amendment, on the number placed in permanent jobs.

The compromise agreement requires the Secretary to report on the number placed in permanent jobs as defined by the Secretary.

Definitions for purposes of chapters 41 and 42

Both the House bill and the Senate amendment would make amendments to definitions contained in chapters 41 and 42. Employment and Training of Disabled and Vietnam Era Veterans. The House bill would codify the definitions in chapter 41 and the Senate amendment would codify them in chapter 42.

The House recedes in light of the cross-references to the chapter 42 definitions in other laws.

Both the House bill and the Senate amendment would amend chapter 41 to require that an eligible veteran have a minimum of 181 days of active-duty services.

The compromise agreement contains this provision.

The House bill would define a disabled veteran as an eligible veteran in receipt of compensation at a rate of 10 percent or more, thus including such veterans in the employment emphasis mandated by section 2012 (in chapter 43). The Senate bill has no comparable provision, but it would denote 30-percent service-connected disabled veterans or more (those now covered by section 2012) as "special disabled veterans", retaining that as the minimum disability rating for chapter 42 assistance purposes.

The House recedes.

Both the House bill and the Senate amendment would delete the 48-month post-service limitation for Vietnam-era veterans for purposes of certain employment emphasis in chapter 42 programs. The House bill would define a Vietnam-era veteran as a veteran with qualifying service during the era and continuing such eligibility until December 31, 1989. The Senate amendment would define a veteran of the Vietnam era as a veteran with qualifying service during the era for generally 2 years after the end of the applicable delimiting period.

The Senate recedes with an amendment changing the cut-off date to December 31, 1991.

The compromise agreement would also revise the definition of the term "department or agency" so as to mean any agency of the Federal Government or the District of Columbia, including any Executive agency as that term is defined in section 105 of title 5. That definition (and other pertinent definitions incorporated by reference in it) is as follows:

§ 105. Executive agency

For the purpose of this title, "Executive agency" means an Executive department, a Government corporation, and an independent establishment.

§ 101. Executive departments

The Executive departments are:
The Department of State.
The Department of the Treasury.
The Department of Defense.
The Department of Justice.
The Department of the Interior.
The Department of Agriculture.
The Department of Commerce.
The Department of Labor.
The Department of Health, Education, and Welfare.
The Department of Housing and Urban Development.
The Department of Transportation.
The Department of Energy.

§ 103. Government corporation

For the purpose of this title—

(1) "Government corporation" means a corporation owned or controlled by the Government of the United States; and

(2) "Government controlled corporation" does not include a corporation owned by the Government of the United States.

§ 104. Independent establishment

For the purpose of this title, "independent establishment" means—

(1) an establishment in the executive branch (other than the United States Postal Service or the Postal Rate Commission) which is not an Executive department, military department, Government corporation, or part thereof, or part of an independent establishment;

(2) The General Accounting Office.

Filing of compliants with respect to veterans' employment emphasis in Federal contracts

The House bill, but not the Senate bill or amendment, would amend chapter 42 to permit certain disabled and Vietnam-era veterans to file directly with the Secretary of Labor complaints relating to a contractor's failure or refusal to comply with the provisions of current section 2012, relating to employment emphasis and affirmative action under Federal contracts (and deleting the provision in current law permitting veterans to file complaints related to section 504 of the Rehabilitation Act with the Veterans' Employment Service).

The Senate recedes.

Preference in hiring for certain VA positions

The House bill, but not the Senate bill or amendment, would amend chapter 42 to provide that the Administrator may give preference in VA hiring to qualified disabled and Vietnam-era veterans for the positions of veterans claims examiners and benefits counselors.

The Senate recedes with an amendment changing "disabled veteran" to "special disabled veteran", and expanding the positions involved to include readjustment counseling, outreach, and vet rep personnel.

Reemployment rights of Reservists called to active duty

The House bill, but not the Senate bill or amendment, would amend chapter 48, Veterans' Reemployment Rights, to shorten from 3 months to 12 weeks the initial active-duty-for training period required for new National Guard members and reservists in connection with their reemployment rights under chapter 48 so as to be consistent with Department of Defense policy and practice.

The Senate recedes.

The House bill, not the Senate bill or amendment, would amend chapter 48 to recognize full-time training under section 502 of title 32, United States Code, as active duty for training for the purpose of reemployment rights.

The Senate recedes.

Labor market statistics on Vietnam-Theatre Veterans

The Senate amendment, but not the House bill, would require the Bureau of Labor Statistics to report annually, and otherwise whenever feasible, on the unemployment rates for Vietnam-theatre veterans.

The House recedes.

Employment assistance and services for veterans ineligible for assistance under chapter 41

The Senate amendment, but not the House bill, would require the Secretary of Labor to assure that veterans made ineligible for assistance under chapter 41 (veterans with less than 181 days service) as a result of the compromise agreement would be provided with appropriate employment assistance and services available under other Federal employment related programs.

The House recedes.

TITLE VI—COST-SAVING AMENDMENTS

* * * * * * *

TITLE VII—MISCELLANEOUS AMENDMENTS

Administrator's responsibilities for advocacy

The Senate bill would amend subchapter IV of chapter 3 to require the Administrator to play an increased, active role with respect to advocacy of the implementation of existing laws and regulations relating to employment, training, and other opportunities for veterans, with particular emphasis on the needs of service-connected disabled veterans and other eligible veterans to whom the employment emphases in chapter 42 are applicable. The House bill contains no comparable provision.

The House recedes with an amendment deleting the references in this provision to employment and employment-related opportunities, thus giving the Administrator responsibilities relating to advocacy of all existing laws and regulations pertaining to veterans. The Committees note that new section 1516 as added by title I of this Act has been expanded, in light of the Senate language deleted here, to require the Administrator, in actively promoting the development and establishment of on-job training opportunities for chapter 31 participants, to also make promotional efforts targeted on other service-connected disabled veterans and other veterans with respect to whom the employment emphases in chapter 42 apply with particular emphasis being placed on the needs of categories of those veterans on the basis of applicable rates of unemployment.

* * * * * * *

Outpatient care for chapter 31 participants

The Senate bill, but not the House bill, would amend section 612(f)(2) to provide chapter 31 participants with the same eligibility for VA outpatient care that veterans with service-connected disabilities rated at 50-percent-or-more disabling presently have, which would have the effect of including chapter 31 participants together with 50-percent-rated veterans in the second priority category for VA outpatient care in present section 612(i), behind veterans receiving treatment for a service-connected disability, and of making chapter 31 participants eligible for contract care on the same basis as 50-percent-rated veterans (which is the same, under present section 601(4)(C)(i) and (ii), as the basis on which contract care is available for the treatment of a service-connected disability).

* * * * * * *

Nursing home standards

The Senate amendment, but not the House bill, would require the Secretary of Health, Education, and Welfare (now Health and Human Services) and the Administrator of Veterans' Affairs to submit a joint report to the Congress relating to the coordination of their responsibilities for the enforcement of quality and safety standards in nursing homes.

The Senate recedes in view of the house position in opposition to the inclusion of other than technical, nongermane health-care provisions in this measure.

Agent orange

The Senate bill, but not the House bill, would authorize the expansion of the scope of the epidemiological study mandated by section 307 of Public Law 96-151 regarding veterans exposed to Agent Orange to include additional factors, would modify the study mandate, and would establish timetables within the Administrator of Veterans's Affairs, based on the results of such study and other available pertinent information, would develop regulations for the resolution of claims for benefits based on exposure to Agent Orange, or, if the scope of the study is expanded, on other factors.

The Senate recedes in view of the House position in opposition to the inclusion of other than technical nongermane health-care provisions in this measure.

Renaming the Topeka Veteran's Administration Medical Center

The Senate bill, but not the House bill, would provide for the renaming of the Veteran's Administration Medical Center at Topeka, Kansas, as the "Colmery-O'Neil Veteran's Administration Medical Center".

The Senate recedes in view of the House position in opposition to the inclusion of other than technical nongermane health-care provisions in this measure.

[By fiscal years; in millions of dollars]

	1981	1982	1983	1984	1985
Title I:					
Modifications to vocational rehabilitation:					
Required budget authority	8.4	19.0	16.9	16.6	16.3
Estimated outlays	8.2	19.2	16.9	16.6	16.3
17-percent rate increase for ch. 31:					
Required budget authority	21.2	30.2	30.6	25.4	21.4
Estimated outlays	19.2	31.0	31.2	26.0	21.4
Title II: 10-percent rate increase for chs. 34 and 35 (5 percent on Oct. 1, 1980 and 5 percent on Jan. 1, 1980):					
Required budget authority	210.8	291.7	238.8	164.5	126.2
Estimated outlays	184.0	298.1	244.4	171.1	126.2
Title IV: Post-Vietnam era veterans' educational program (VEAP) adjustments:					
Required budget authority	0.12	−.3	.2	1.0	3.1
Estimated outlays	−1.1	−2.3	−2.0	−.6	1.5
Title V: Expanded outreach program (Function 500):					
Required budget authority	12.9	23.6	34.8	42.7	46.1
Estimated outlays	12.9	23.6	34.8	42.7	46.1
Title VI: Cost savings provisions:					
Modify vocational objective course criteria:					
Required budget authority	−1.6	−1.3	−1.2	−1.0	−.8
Estimated outlays	−1.6	−1.3	−1.2	−1.0	−.8
Educational assistance to incarcerated veterans:					
Required budget authority	−8.7	−5.9	−4.1	−2.7	−2.0
Estimated outlays	−8.7	−5.9	−4.1	−2.7	−2.0
Modify correspondence and flight training:					
Required budget authority	−20.0	−22.0	−19.1	−14.6	−11.3
Estimated outlays	−20.0	−22.0	−19.1	−14.6	−11.3
Repeal of PREP authority:					
Required budget authority	−1.0	−2.7	−2.0	−1.4	−1.3
Estimated outlays	−1.0	−2.7	−2.0	−1.4	−1.3
Debt collection provisions:					
Required budget authority	−144.2	−172.0	−135.0	−109.0	−81.0
Estimated outlays	−144.2	−172.0	−135.0	−109.0	−81.0
Totals:					
Function 500:					
Required budget authority	12.9	23.6	34.8	42.7	46.1
Estimated outlays	12.9	23.6	34.8	42.7	46.1
Function 700:					
Required budget authority	64.9	136.7	125.1	78.8	70.6
Estimated outlays	34.8	142.1	129.1	84.4	69.0
Total budget impact:					
Required budget authority	77.8	160.3	159.9	121.5	116.7

—Continued

[By fiscal years; in millions of dollars]

	1981	1982	1983	1984	1985
Estimated outlays	47.7	165.7	163.9	127.1	115.1

TITLE VIII—TECHNICAL AMENDMENTS AND EFFECTIVE DATES

Both the House bill, the Senate amendment, and the Senate bill make technical and conforming amendments throughout title 38 and in the GI Bill Improvement Act of 1977 (Public Law 95-202).

The compromise agreement includes appropriate technical and conforming amendments.

The House bill provides for a general effective date of October 1, 1980, or the first day of the first month following sixty days after enactment, whichever is the later. The Senate amendment provides for an effective date of October 1, 1979, of the first day of the second month following enactment.

The compromise agreement generally provides for an effective date of October 1, 1980. Other effective dates are discussed in the applicable portions of this statement.

U.S. Congress,
Congressional Budget Office,
Washington, D.C., September 26, 1980.

Hon. Alan Cranston,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 202 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 5288, the Veterans Rehabilitation and Education Amendments of 1980.

Should the committee so desire, we would be pleased to provide further details on the attached cost estimate.

Sincerely,

Robert D. Reischauer,
(For Alice M. Rivlin, Director).

Congressional Budget Office: Cost Estimate

1. Bill number: H.R. 5288.

2. Bill title: Veterans Rehabilitation and Education Amendments of 1980.

3. Bill status: As passed by the House of Representatives, September 25, 1980.

4. Bill purpose: To amend title 38, United States Code to revise the veterans' vocational rehabilitation program, to provide a 10-percent increase in the rates of educational assistance under the GI bill, to make certain improvements in the educational assistance programs for veterans and eligible survivors and dependants, to revise and expand veterans' employment and training programs, to provide certain cost-savings administrative provisions, and for other purposes.

5. Cost estimate: This bill would result in additional future Federal liabilities through an extension of existing entitlements and would require subsequent appropriation action to provide the necessary budget authority. The figures shown as "Required Budget Authority" represent an estimate of the additional budget authority needed to cover the estimated outlays that would result from enactment of H.R. 5288.

A negative budget authority indicates that this bill would reduce future Federal liabilities through a change to an existing entitlement and therefore could permit subsequent appropriations action to reduce the budget authority for this and other programs. Negative figures shown as "Required Budget Authority" represent that amount by which budget authority for the program could be reduced, as a result of this bill, below the level needed under current law.

Only those sections of H.R. 5288 with cost impact are listed in the cost estimate. The costs of this bill fall in function 700 except for the Expanded Outreach Program which falls in function 500.

6. Basis of estimate:

TITLE I—REHABILITATION AMENDMENTS

This title would restructure chapter 31 of Title 38, U.S.C. to update, improve and expand the Vocational Rehabilitation Program for service connected disabled veterans under that chapter. Major provisions of this title would.

(1) enlarge the purpose and effective operation of the VA's rehabilitation programs beyond the veterans' employability to obtaining and maintaining employment and to enable a veteran to achieve independence in daily living.

(2) specify a broad range of services and assistance that may be provided under chapter 31 in order to provide clear authority for a full range of evaluative, counseling, independent-living, pretraining, training, and employment-assistance services. (The VA interpretation of current law equates vocational rehabilitation under chapter 31 with training and thus does not provide for pretraining services that may enable a veteran, whose mental or physical disability renders entry into training infeasible, to prepare to enter into a training program.)

(3) provide authority for independent living services to help a veteran with very serious disabilities to live and function within his or her family and community. This includes authority beginning in fiscal year 1982 for a four-year pilot program of independent living services and assistance for up to 500 new veterans each year for whom the achievement of a vocational goal has been determined not to be reasonably feasible.

(4) enable veterans participating in chapter 31 rehabilitation programs who have remaining eligibility for and entitlement to chapter 34 (GI Bill) benefits to receive, as part of their chapter 31 benefits, allowances and assistance equal to the chapter 34 allowances and assistance appropriate to their training programs in lieu of payment of the subsistence allowance, tuition, and fees and of certain other services and assistance provided for under chapter 31.

(5) establish a Veterans Advisory Committee on Rehabilitation.

(6) provide a 17-percent-cost-of-living increase for those training under chapter 31.

(7) provide for a liberalization of the delimiting period and associated eligibility and provide for a liberalization of entitlement.

CBO and the VA have nearly identical cost estimates for the provisions of this title except for item (6). Item (3), independent living provisions become effective in fiscal year 1982. Item (6), the cost-of-living increase is effective October 1, 1980. All other provisions become effective April 1, 1981.

COST ESTIMATE [1]

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Required budget authority	8.4	19.0	16.9	16.6	16.3
Estimated outlays	8.2	19.2	16.9	16.6	16.3

[1] Cost for all items except (6)

Item (6). Rate Increase for Training Under Vocational Rehabilitation:

This provision would raise the payment rate for vocational rehabilitation by 17 percent. Additional expenditures would occur three different ways: 1) additional payments will be made to those in training; 2) some disabled veterans will be induced to train who would not have trained; and 3) some disabled veterans currently training under chapter 34 would be induced to train under chapter 31 at the new higher rate.

For fiscal year 1981, these three costs are determined:

(1) For the projected 25,500 who would train in any case, average cost rises from an estimated $3,450 to $3,864, resulting in a cost of $10.6 million.

(2) For an estimated 2,000 additional disabled veterans induced to train, there is an additional cost of $7.7 million.

(3) And, for the estimated 2,500 veterans who choose chapter 31 instead of chapter 34, there is an additional cost of $2.9 million.

COST ESTIMATE

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Required budget authority	21.2	30.2	30.6	25.4	21.4
Estimated outlays	19.2	31.0	31.2	26.0	21.4

TITLE II

This provision would raise benefit levels by 10 percent for chapters 34 and 35 (respectively, the Veterans' Educational Assistance Program and the Survivors and Dependents Educational Assistance Program). This increase will occur in two steps: a 5 percent increase on October 1, 1980 and a 5 percent increase on January 1, 1981. It is expected that this will raise expenditures in two ways. First, it will cause the average cost per trainee to go up by about 10 percent on a full year basis. For veterans training under the Veterans' Educational Assistance program, average cost per year can be expected to rise from $2,025 per year to $2,225. For those training under the Survivors' and Dependents' Educational Assistance program, the average cost will rise from an estimated $2,065 per year to $2,275. Second, it will cause additional persons to train who would not have trained otherwise. The following table shows the estimated number of veterans training under the GI Bill with and without the increase.

ESTIMATED NUMBER OF VETERANS WHO WILL TRAIN UNDER THE GI BILL

[By fiscal years, in thousands]

	1981	1982	1983	1984	1985
Without the 10 percent increase	668	442	291	200	141
With the 10 percent increase (assumes 17 percent rate increase in chapter 31)	710	915	349	237	166

Note: Similar relative differences occur for the small survivors' and dependents' educational assistance program. The total cost both for the current trainees and new trainees is shown below.

COST ESTIMATE

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Regulated budget authority	210.8	291.7	238.8	164.5	126.2
Estimated outlays	184.0	298.1	244.4	171.1	126.2

TITLE IV

Under the current Veterans Education Assistance Program (VEAP) veterans contribute between $50 and $75 per month out of their monthly pay into the post-Vietnam era veterans' education account. This money is matched by the VA in the amount of $2 for every $1 contributed when the veteran later draws his money out to take training. This provision would expand the contribution range to a minimum of $25 per month and a maximum of $100 per month. It would also allow veterans to pay in lump sum amounts to the VEAP accounts up to a maximum of $2,700.

Although it is not possible to estimate with any degree of precision what the cost of this new provision would be, CBO expects the broader rule structure of the program to result in additional participants. CBO assumes that liberalizing the contribution procedure will result in 5,000 additional participants each year (3,000 the first year). The assumption is made that in the third year of the program the average monthly contribution would be $25 per month for 2,000 participants for 9 months, $100 per month for 2,000 participants for 9 months, and lump sum payments of $1,150 from the remaining 1,000 participants.

Total contributions are, therefore, expected to reach $3.4 million in that year. First and second year contributions are expected to be less than this because of normal start-up procedures. No change in contribution levels are assumed for those who would have participated in the $50 to $75 program as it stands now. VA matching payments are not expected to occur under the new provision until fiscal year 1983 (Outlays in fiscal year 1982 represent disenrollments) and then only at a fairly low level. Subsequent years should show additional outlays.

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Deduction from military pay:					
Required budget authority	−1.1	−2.6	−3.4	−3.4	−3.4
Estimated outlays	−1.1	−2.6	−3.4	−3.4	−3.4
Post-Vietnam era veterans education:					
Required budget authority	1.1	2.3	3.6	4.4	6.5
Estimated outlays	0	.3	1.4	2.8	4.9
Cost estimate:					
Required budget authority	0	.3	.2	1.0	3.1
Estimated outlays	−1.1	−2.3	−2.0	−.6	1.5

TITLE V—VETERANS' EMPLOYMENT ASSISTANCE ADJUSTMENTS

This title would establish a new Disabled Veterans Outreach Program (DVOP) in the Department of Labor.

It would make available to each State sufficient funding to support 2,000 DVOP specialists nationwide. These specialists would supplement but not supplant the existing staff of Veterans' Employment Service and local veterans' employment representatives. They would have a variety of duties designed to promote employment and training opportunities for eligible veterans. This program would absorb the current Disabled Veterans Outreach Program now conducted by the DOL under Title III of CETA. The costs of the new DVOP program would be offset by what the current DVOP program would have cost.

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Cost of new DVOP program	33.9	36.6	39.5	42.7	46.1
Cost of old DVOP program	−21.0	−13.0	−4.7	0	0
Net addition to cost	12.9	23.6	34.8	42.7	46.1
Cost estimate:					
Required budget authority	12.9	23.6	34.8	42.7	46.1
Estimated outlays	12.9	23.6	34.8	42.7	46.1

TITLE V—COST-SAVING PROVISIONS

Modify vocational-objective course criteria:

Currently, all courses with vocational objectives are required to have 50 percent of their graduates placed in training-related jobs. This provision would strengthen that requirement by requiring that a training-related job is redefined to include employment which makes substantial use of the training (at least 10 hours per week).

CBO estimates that in fiscal year 1981, 27,000 people in vocational/technical schools could be affected by this provision along with 4,500 flight trainees and 9,500 correspondence trainees.[1]

CBO estimates that these changes will reduce the number of eligible vocational courses and students by 2.8 percent. CBO has assumed, however, that two-thirds of the displaced students will sign up for alternative training courses. The provision is estimated to save $1.6 million in 1981.

COST ESTIMATE

[By fiscal years in millions of dollars]

	1981	1982	1983	1984	1985
Required budget authority	−1.6	−1.3	−1.2	−1.0	−0.8
Estimated outlays	−1.6	−1.3	−1.2	−1.0	−.8

Educational assistance to incarcerated veterans:

This provision would limit veterans' educational assistance for incarcerated veterans to the payment of tuition and fees except for an apportioned amount which may be continued to be paid to the veteran's dependents if such apportionment was made or requested prior to the date of enactment. Payment of tuition, books and fees would also be eliminated where federal or state programs provide this support. A recent VA survey has shown that there are about 5,500 veterans currently receiving GI Bill payments for training. CBO assumes that payments for these individuals average $2,000 per year and that one-third of these payments go for tuition, books and fees. Currently the cost per year for providing the GI Bill to these veterans is thus $11.0 million. Lowering the payment to one-third of $2,000 per veteran gives a new average cost of $667 per year. Assuming three-fourths of the 5,500 veterans remain in training at the new lower rate lowers the total cost per year to $2.8 million ($667×5,500) for a savings of $8.2 million in fiscal year 1981. CBO assumes an additional $0.5 million will be saved as a result of eliminating payments for tuition, books and fees for those veteran inmates receiving payments under federal or state programs.

COST ESTIMATE

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Required budget authority	−8.7	−5.9	−4.1	−2.7	−2.0
Estimated outlays	−8.7	−5.9	−4.1	−2.7	−2.0

Modify flight and correspondence training provisions:

This provision would reduce the reimbursement rate paid to flight and correspondence trainees.

For flight training the reimbursement rate would drop from 90 percent to 60 percent of the cost of completed training. Those in training on September 1, 1980, however, would be grandfathered in the program at the 90 percent rate. CBO assumes that the 60 percent reimbursement rate would result in fewer trainees than the current 90 percent rate. In addition, average payments to flight trainees would decrease. CBO estimates that in fiscal year 1981 there would be 5,000 fewer trainees (out of 18,000) as a result of this provision, and the average payment for flight training would drop by 18 percent. Total savings are estimated to be $18.6 million in 1981.

The reimbursement rate for correspondence training under this provision is dropped from 90 to 70 percent. Average cost on a full year basis can thus be expected to drop to $\frac{7}{9}$ths of the current cost or $303.41\times\frac{7}{9}=\$235.99$. The number in correspondence after the drop in the reimbursement rate from 100 to 90 percent was about 11 percent below what it would have been without the decrease. CBO expects a decrease of double that order of magnitude going from 90 to 70 percent (on a full year basis, a drop from 35,790 trainees to 27,900 trainees) a full year's savings of $4.3 million can be expected had the provision been in full operation on October 1, 1980 ($303.41×35,790 −235.99×27,900). Because those in training on September 1, 1980 are grandfathered in at the old rate, only about one-third of these savings will occur the first year.

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[1] This is after accounting for the effects of the provision to modify flight and correspondence training.

EFFECT OF EXPENDITURES

	1981	1982	1983	1984	1985
Flight	−18.6	−20.0	−17.0	−13.0	−10.0
Correspondence	−1.4	−2.0	−2.1	−1.6	−1.3
Total	−20.0	−22.0	−19.1	−14.6	−11.3

COST ESTIMATE

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Required budget authority	−20.0	−22.0	−19.1	−14.6	−11.3
Estimated outlays	−22.0	−22.0	−19.1	−14.6	−11.3

Note: Repeal PREP Authority—This proposal would eliminate the predischarge education program (PREP) provided under ch. 32. CBO estimates that this would result in 2,500 fewer trainees and save $1 million in fiscal year 1981.

COST ESTIMATE

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Required budget authority	−1.0	−2.7	−2.0	−1.4	−1.3
Estimated outlays	−1.0	−2.7	−2.0	−1.4	−1.3

Debt collection provisions:

There are four basic provisions that apply to VA debt collection procedures.

(1) To allow VA to disclose names and addresses of veterans and other information to consumer reporting agencies for debt collection purposes,

(2) To authorize VA to charge interest on debts owed the federal government plus additional charges to cover the cost of the debt collection procedures,

(3) To eliminate the current six year statute of limitations on debts owed the United States for programs administered by the Veterans' Administration,

(4) To allow the Veterans' Administration, under supervision by the Justice Department, the authority to sue to collect debts.

As of the end of January 1980, veterans owed the Veterans' Administration roughly $900 million because of VA overpayments. In fiscal year 1981, these four provisions are assumed to result in a savings of $120 million to the federal government as a result of increased collections of overpayments.

COST ESTIMATE

[By fiscal years; in millions of dollars]

	1981	1982	1983	1984	1985
Cost	−120	−155	−119	−95	−71

The Veterans' Administration has indicated that they will incur costs for administering the disclosure of names to consumer reporting agencies and for hiring legal staff to prosecute cases. The following CBO estimates of costs are based on information provided by the VA.

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Cost	10.8	13	8	4	3

Finally, additional savings should result as veterans either avoid overpayments or pay them back more quickly. According to the Veterans' Administration, during fiscal year 1979 there were $503 million in overpayments and through April 1980 there were $261 million in fiscal year 1980 overpayments. While there is no hard evidence available, CBO assumes a $35 million savings as a result of the deterrent factor in fiscal year 1981.

[By fiscal years, in millions of dollars]

	1981	1982	1983	1984	1985
Cost	−35.0	−30	−24	−18	−13
Cost estimate:					
Required budget authority	−144.2	−172	−135	−109	−81
Estimated outlays	−144.2	−172	−135	−109	−81

7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Al Peden (225-7766).
10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

CONCLUSION

Mr. CRANSTON. Mr. President, in closing I would like to express my great appreciation to the chairman (Mr. Roberts) and ranking minority member (Mr. Hammerschmidt) of the House Veterans' Affairs Committee and to the chairman (Mr. Hefner) and ranking minority member (Mrs. Heckler) of the Subcommittee on Education, Training, and Employment for their hard work and outstanding cooperation in making this compromise agreement the reasonable and equitable measure that it is. I would also like to thank the distinguished ranking minority member of the Senate Committee on Veterans' Affairs (Mr. Simpson) for his excellent assistance on this bill. Of course, I am also grateful to the other members of our committee, all of whom contributed so much to the development of this legislation.

In addition, I want to extend my thanks to the staff members of the House Committee—Mack Fleming, Frank Stover, Peter Sroka, and Jim Webb—for their excellent work on this measure. And I also wish to express my gratitude for their long and hard work in this effort to Senate committee staff members Babette Polzer, Janice Orr, Kerry Shortle, Ed Scott, Jon Steinberg, and Julie Susman, and to our committee's editorial director Harold Carter, who is so ably assisted by Jim MacRae and Walt Klinger. As always, I am very grateful to our legislative counsels, Hugh Evans of the Senate and Bob Cover of the House. Finally, we are most appreciative of the excellent technical assistance we received from VA officials.

Mr. President, I believe that the measure before us is a much-needed and well-developed piece of legislation that reflects fair and reasonable compromises. Therefore, I urge my colleagues to concur in the House amendments to H.R. 5288.

Mr. BELLMON. Mr. President, I rise to commend the Veterans' Affairs Committees of both Houses for their diligence in reaching agreement so rapidly on legislation to achieve the level of savings required by the reconciliation bill. The chairman of both the House and Senate Committees, the Members from each side of the aisle as well as their staffs should feel a great sense of accomplishment for this achievement. I am sure it has not been an easy task. I believe, however, that their efforts have resulted in a rational, commonsense approach to the reduction of spending for veterans programs. They have chosen to enact provisions which will result in more effective administration of programs serving veterans and which will reduce spending for programs which several studies have demonstrated to be ineffective.

I am concerned with the Veterans' Committees' actions on two provisions. This conference agreement modifies and reduces costs for flight and correspondence training. The House version of this bill would have eliminated the authority for these programs effective October 1, 1980. Based on the data I have seen from several studies, I believe the House's position was and still is the preferred one.

The second provision which troubles me is the one concerning nursing home standards. The Senate version of this bill would have required the Secretary of Health and Human Services (HHS) and the Veterans' Administration (VA) to submit a joint report to Congress relating to the coordination of their responsibilities for the enforcement of quality and safety standards in nursing homes. I would have preferred an even stronger provision, requiring HHS and VA to coordinate and eventually consolidate their nursing home standards enforcement responsibilities. However, even the weaker Senate version was rejected in conference. This is unfortunate. I hope this issue will be reviewed in the next Congress.

Mr. THURMOND. Mr. President, I rise in support of H.R. 5288, as amended, the "Veterans' Rehabilitation and Education Act of 1980."

H.R. 5288, as amended, will overhaul chapter 31 of title 38 of the United States Code. Prior legislative action in the area of the Veterans' Administration's vocational rehabilitation program has been addressed only in piecemeal fashion since 1943. Although the VA has become a leader in vocational rehabilitation, I believe H.R. 5288 will be a great improvement to this VA program and will enhance the rehabilitation opportunities of our disabled veterans.

Mr. President, H.R. 5288 would expand the purpose and effective operation of the VA's rehabilitation program beyond the achievement of a veteran's employability to that of obtaining and maintaining suitable employment. The VA would take a greater role in not only training a disabled veteran for a particular occupation but the agency would expand its function in assisting the veteran in obtaining employment.

The VA would be given authority to provide a broader range of services and assistance than is provided under current law. Due to the great advances that have been made in the past few years in the field of rehabilitative medicine, the VA's authority to provide these services pursuant to existing law has been questioned. Therefore, H.R. 5288 provides greater latitude for the VA to utilize a full range of rehabilitative and employment services.

Mr. President, the Administrator's responsibility to seek and insure that veterans participating in chapter 31 programs obtain employment will be expanded. The Administrator will be greatly involved in all Federal veterans employment efforts and programs. These would include the Comprehensive Employment Training Administration (CETA) program within the Department of Labor; the veterans cost of instruction program (VCIP) conducted by the Department of Education; and provisions mandating preference for veterans under the Small Business Act, and other similar programs.

Mr. President, I am pleased that H.R. 5288 contains a provision that would provide, by statute, a clerical secretary for each of the 52 State representatives of the Veterans' Employment Service. These secretaries will become an integral part of the Veterans' Employment Service and its effort to assist veterans obtain employment in each State. H.R. 5288 also provides that the current position of Deputy Assistant Secretary of Labor for Veterans' Employment be upgraded to that of Assistant Secretary of Labor. I believe this provision is very important in that veterans will now have more equality of representation within the Department of Labor.

Mr. President, H.R. 5288 contains many modifications to the VA educational programs that are similar to S. 870, which passed the Senate on January 24, 1980. These modifications will respond to several studies that have been conducted by the General Accounting Office concerning various GI bill programs and will attempt to curb abuses that have been found within the programs. Furthermore, in an effort to reduce paperwork for both the veteran and the institution, H.R. 5288 would codify certain existing regulations concerning the day-to-day administration of these educational programs. This bill also provides for a 10 percent cost-of-living increase for recipients of GI bill benefits. This is extremely important since these veterans have not had their monthly payments increased since October 1977.

I believe, Mr. President, that H.R. 5288, as amended, will provide the VA the needed statutory authority to render service and training to those veterans who have been disabled while serving our Nation, and it will authorize much needed changes in the GI bill. I urge my colleagues to support H.R. 5288, as amended.

Mr. CRANSTON. Mr. President, I ask unanimous consent that I may yield the floor to the Senator from Louisiana, with the understanding that I will obtain the floor when he has finished.

The **Presiding Officer**. Without objection, it is so ordered.

GI Bill Amendments Act

The Senate continued with the consideration of a message from the House of Representatives on H.R. 5288.

Mr. **Cranston**. Mr. President, this measure, the House amendment to the Senate amendment to H.R. 5288, embodies a compromise agreed to by the two Veterans' Affairs Committees and passed by the House of Representatives yesterday. It has been cleared on both sides and incorporates certain provisions of the several Senate-passed measures and a House-passed measure, H.R. 7394. This represents a fair compromise of the differences between the various provisions of the House- and Senate-passed bills and indicates a large proportion of the basic Senate positions on the matters addressed by the legislation.

I move that the Senate concur in the House amendments.

The **Presiding Officer**. Without objection, it is so ordered.

Mr. **Cranston**. I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. **Cranston**. Mr. President, I ask unanimous consent that H.R. 5288 be printed with the amendments just agreed to.

The **Presiding Officer**. Without objection, it is so ordered.

H.R. 4015

Mr. **Cranston**. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from consideration of H.R. 4015, that the Senate proceed to its immediate consideration, that the committee amendment that is at the desk be adopted by striking out all after the enacting clause and inserting the text I have described, that the bill be considered as having been read a third time, that the bill as so amended be passed, and that the title be amended.

The **Presiding Officer**. Without objection, it is so ordered.

Mr. **Cranston**. Mr. President, I ask unanimous consent that H.R. 4015 be printed as passed.

The **Presiding Officer**. Without objection, it is so ordered.

Mr. **Cranston**. Mr. President, the provisions of the committee amendment just agreed to—all relating to VA health-care issues, clarification of certain VA health-care cost recovery authorities, revisions of the agent orange study provisions of Public Law 96-151, and extension of the availability of funds committed under the VA's assistance to new State medical schools program—were agreed to by the Senate on September 4, 1980, as amendments to S. 1188, the "Disabled Veterans Rehabilitation Act of 1980." During the negotiations that I discussed during consideration of the prior measure, between the Committees on Veterans' Affairs, to work out the differences between S. 1188, Senate and House versions of H.R. 5288, and H.R. 7394, the House refused to consider any of these provisions for inclusion in the compromise agreement on those bills on the grounds that they were not germane to any House-passed education, employment, and rehabilitation provisions in those measures.

Thus, our committee has today returned to the House the three health-care-related provisions as an amendment to a health-care bill, H.R. 4015, in order to seek consideration of them by the House in a germane context.

Senate Concurrent Resolution 130—Authorizing Corrections in Enrollment of H.R. 5288

Mr. **Cranston**. Mr. President, I send to the desk a concurrent resolution making technical changes in the House amendments to H.R. 5288, and I ask unanimous consent that the Senate proceed to its immediate consideration.

The **Presiding Officer**. The concurrent resolution will be stated.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 130) authorizing corrections to be made in the enrollment of H.R. 5288.

The **Presiding Officer**. Without objection, the resolution is considered and agreed to.

The concurrent resolution (S. Con. Res. 130) is as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 5288) to amend title 38, United States Code, to improve and modernize the vocational rehabilitation program provided veterans under chapter 31 of such title, to improve the veteran's educational assistance program, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In clause (3) of section 103 of the bill, strike out "and inserting in lieu thereof a period".

(2) In subsection (b) of section 1774, as amended by section 203 of the bill, strike out "1,103" and "833" and insert in lieu thereof "$1,103" and "$833" respectively.

(3) In section 325 of the bill, strike out "1723" and insert in lieu thereof "1723(a)".

(4) In section 331 of the bill, strike out "striking out" and insert in lieu thereof "inserting".

(5) In subsection (c) of section 1788, as added by section 345(b) of the bill, strike out "means a study" and insert in lieu thereof "means study".

(6) In section 505 of the bill, after the quotation marks after "representative" insert "the first time such term appears".

(7) In subsection (g)(1) of section 1682, as added by section 602(a) of the bill, strike out "$311 per month for a full-time course" and insert in lieu thereof "the applicable monthly educational assistance allowance prescribed for a veteran with no dependents in subsection (a)(1) or (c)(2) of this section or section 1787(b)(1) of this title.".

(8) In subsection (e) of section 1732, as added by section 602(b) of the bill, strike out "institutional".

Mr. Cranston. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. Robert C. Byrd. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. Cranston. Mr. President, finally I ask unanimous consent that H.R. 5288 be printed with the House amendments just agreed to with the technical corrections made by the concurrent resolution and that H.R. 7511 be printed with the House amendments agreed to Wednesday.

The Presiding Officer. Without objection, it is so ordered.

Mr. Cranston. I thank one and all for their cooperation.

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APPENDIX E

PUBLIC LAW 96-466—OCT. 17, 1980

Public Law 96-466
96th Congress

An Act

Oct. 17, 1980
[H.R. 5288]

To amend title 38, United States Code, to provide for updated and expanded rehabilitation programs for veterans with service-connected disabilities, to provide a 10-percent increase in the rates of educational assistance under the GI bill, to make certain improvements in the educational assistance programs for veterans and eligible survivors and dependents, to revise and expand veterans' employment and training programs, and to provide for certain cost savings; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans' Rehabilitation and Education Amendments of 1980".

Veterans' Rehabilitation and Education Amendments of 1980.
38 USC 101 note.

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—REHABILITATION AMENDMENTS

REVISION OF VETERANS' ADMINISTRATION REHABILITATION PROGRAMS

SEC. 101. (a) Chapter 31 is amended to read as follows:

"CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES

"Sec.
"1500. Purposes.
"1501. Definitions.
"1502. Basic entitlement.
"1503. Periods of eligibility.
"1504. Scope of services and assistance.
"1505. Duration of rehabilitation programs.
"1506. Initial and extended evaluations; determinations regarding serious employment handicap.
"1507. Individualized vocational rehabilitation plan.
"1508. Allowances.
"1509. Entitlement to independent living services and assistance.
"1510. Leaves of absence.
"1511. Regulations to promote satisfactory conduct and cooperation.
"1512. Revolving fund loans.
"1513. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans.
"1514. Vocational rehabilitation outside the United States.
"1515. Rehabilitation resources.
"1516. Promotion of employment and training opportunities.
"1517. Employment assistance.
"1518. Personnel training, development, and qualifications.
"1519. Rehabilitation research and special projects.
"1520. Pilot program of independent living services and assistance.
"1521. Veterans' Advisory Committee on Rehabilitation.

38 USC 1500.

"§ 1500. Purposes

"The purposes of this chapter are to provide for all services and assistance necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

38 USC 1501.

"§ 1501. Definitions

"For the purposes of this chapter—

"(1) The term 'employment handicap' means an impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with such veteran's abilities, aptitudes, and interests.

"(2) The term 'independence in daily living' means the ability of a veteran, without the services of others or with a reduced level of the services of others, to live and function within such veteran's family and community.

"(3) The term 'program of education' has the meaning provided in section 1652(b) of this title. 38 USC 1652.

"(4) The term 'program of independent living services and assistance' includes (A) the services provided for in this chapter that are needed to enable a veteran to achieve independence in daily living, including such counseling, diagnostic, medical, social, psychological, and educational services as are determined by the Administrator to be needed for such veteran to achieve maximum independence in daily living, and (B) the assistance authorized by this chapter for such veteran.

"(5) The term 'rehabilitated to the point of employability' means rendered employable in an occupation for which a vocational rehabilitation program has been provided under this chapter.

"(6) The term 'rehabilitation program' means (A) a vocational rehabilitation program, or (B) a program of independent living services and assistance for a veteran for whom a vocational goal has been determined not to be reasonably feasible.

"(7) The term 'serious employment handicap' means a significant impairment of a veteran's ability to prepare for, obtain, or retain employment consistent with such veteran's abilities, aptitudes, and interests.

"(8) The term 'vocational goal' means a gainful employment status consistent with a veteran's abilities, aptitudes, and interests.

"(9) The term 'vocational rehabilitation program' includes—

"(A) the services provided for in this chapter that are needed for the accomplishment of the purposes of this chapter, including such counseling, diagnostic, medical, social, psychological, independent living, economic, educational, vocational, and employment services as are determined by the Administrator to be needed—

"(i) in the case of a veteran for whom the achievement of a vocational goal has not been determined not to be reasonably feasible, (I) to determine whether a vocational goal is reasonably feasible, (II) to improve such veteran's potential to participate in a program of services designed to achieve a vocational goal, and (III) to enable such veteran to achieve maximum independence in daily living, and

"(ii) in the case of a veteran for whom the achievement of a vocational goal is determined to be reasonably feasible, to enable such veteran to become, to the maximum extent

feasible, employable and to obtain and maintain suitable employment, and

"(B) the assistance authorized by this chapter for a veteran receiving any of the services described in clause (A) of this paragraph.

"§1502. Basic entitlement

38 USC 1502.

"A person shall be entitled to a rehabilitation program under the terms and conditions of this chapter if such person—

"(1)(A) is a veteran who has a service-connected disability which is, or but for the receipt of retired pay would be, compensable under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940, or (B) is hospitalized for a service-connected disability in a hospital over which the Secretary concerned has jurisdiction pending discharge or release from active military, naval, or air service and is suffering from a disability which the Administrator determines will likely be compensable under chapter 11 of this title; and

38 USC 301 *et seq.*

"(2) is determined by the Administrator to be in need of rehabilitation because of an employment handicap.

"§1503. Periods of eligibility

38 USC 1503.

"(a) Except as provided in subsection (b), (c), or (d) of this section, a rehabilitation program may not be afforded to a veteran under this chapter after the end of the twelve-year period beginning on the date of such veteran's discharge or release from active military, naval, or air service.

"(b)(1) In any case in which the Administrator determines that a veteran has been prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because a medical condition of such veteran made it infeasible for such veteran to participate in such a program, the twelve-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program, and such period of eligibility shall again begin to run on the first day following such veteran's recovery from such condition on which it is reasonably feasible, as determined under regulations which the Administrator shall prescribe, for such veteran to participate in such a program.

"(2) In any case in which the Administrator determines that a veteran has been prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because—

"(A) such veteran had not met the requirement of a discharge or release from active military, naval, or air service under conditions other than dishonorable before (i) the nature of such discharge or release was changed by appropriate authority, or (ii) the Administrator determined, under regulations prescribed by the Administrator, that such discharge or release was under conditions other than dishonorable, or

"(B) such veteran's discharge or dismissal was, under section 3103 of this title, a bar to benefits under this title before the Administrator made a determination that such discharge or dismissal is not a bar to such benefits,

38 USC 3103.

the twelve-year period of eligibility shall not run during the period of time that such veteran was so prevented from participating in such a program.

"(3) In any case in which the Administrator determines that a veteran has been prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility prescribed in subsection (a) of this section because such veteran had not established the existence of a service-connected disability described in section 1502(1)(A) of this title, the twelve-year period of eligibility shall not run during the period such veteran was so prevented from participating in such a program.

"(c) In any case in which the Administrator determines that a veteran is in need of services to overcome a serious employment handicap, such veteran may be afforded a vocational rehabilitation program after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator also determines, on the basis of such veteran's particular employment handicap and need for such services, that an extension of the applicable period of eligibility is necessary for such veteran and—

"(1) that such veteran had not previously been rehabilitated to the point of employability;

"(2) that such veteran had previously been rehabilitated to the point of employability but (A) the need for such services had arisen out of a worsening of such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran was previously trained in a vocational rehabilitation program under this chapter, or (B) the occupation for which such veteran had been so trained is not suitable in view of such veteran's employment handicap and capabilities; or

"(3) under regulations which the Administrator shall prescribe, that an extension of the period of eligibility of such veteran is necessary to accomplish the purposes of a rehabilitation program for such veteran.

"(d) In any case in which the Administrator has determined that a veteran's disability or disabilities are so severe that the achievement of a vocational goal is not reasonably feasible, such veteran may be afforded a program of independent living services and assistance under this chapter after the expiration of the period of eligibility otherwise applicable to such veteran if the Administrator also determines that an extension of the period of eligibility of such veteran is necessary for such veteran to achieve maximum independence in daily living.

38 USC 1504.

"§ 1504. Scope of services and assistance

"(a) Services and assistance which the Administrator may provide under this chapter, pursuant to regulations which the Administrator shall prescribe, include the following:

"(1) Evaluation, including periodic reevaluations as appropriate with respect to a veteran participating in a rehabilitation program, of the potential for rehabilitation of a veteran, including diagnostic and related services (A) to determine whether such veteran's disability or disabilities cause a serious employment handicap and whether a vocational goal is feasible for such veteran, and (B) to provide a basis for planning a suitable vocational rehabilitation program or a program of services and assistance to improve the vocational rehabilitation potential or independent living status of such veteran, as appropriate.

"(2) Educational, vocational, psychological, employment, and personal adjustment counseling.

"(3) An allowance and other appropriate assistance, as authorized by section 1508 of this title.

"(4) A work-study allowance as authorized by section 1685 of this title. 38 USC 1685.

"(5) Placement services to effect suitable placement in employment, and postplacement services to attempt to insure satisfactory adjustment in employment.

"(6) Personal adjustment and work adjustment training.

"(7) Vocational and other training services and assistance, including individualized tutorial assistance, tuition, fees, books, supplies, and licensing fees, and equipment and other training materials determined by the Administrator to be necessary to accomplish the purposes of the rehabilitation program in the individual case.

"(8) Loans as authorized by section 1512 of this title.

"(9) Treatment, care, and services described in chapter 17 of this title. 38 USC 501 *et seq.*

"(10) Prosthetic appliances, eyeglasses, and other corrective and assistive devices.

"(11) Services to a veteran's family as necessary for the effective rehabilitation of such veteran.

"(12) For the most severely disabled veterans requiring homebound training or self-employment, or both homebound training and self-employment, such license fees and essential equipment, supplies, and minimum stocks of materials as the Administrator determines to be necessary for such a veteran to begin employment and are within the criteria and cost limitations that the Administrator shall prescribe in regulations for the furnishing of such fees, equipment, supplies, and stocks.

"(13) Travel and incidental expenses under the terms and conditions set forth in section 111 of this title, plus, in the case of a veteran who because of such veteran's disability has transportation expenses in addition to those incurred by persons not so disabled, a special transportation allowance to defray such additional expenses during rehabilitation, job seeking, and the initial employment stage. 38 USC 111.

Special services.

"(14) Special services (including services related to blindness and deafness) including—

"(A) language training, speech and voice correction, training in ambulation, and one-hand typewriting;

"(B) orientation, adjustment, mobility, reader, interpreter, and related services; and

"(C) telecommunications, sensory, and other technical aids and devices.

"(15) Services necessary to enable a veteran to achieve maximum independence in daily living.

"(16) Other incidental goods and services determined by the Administrator to be necessary to accomplish the purposes of a rehabilitation program in an individual case.

"(b) A program of independent living services and assistance may include the types of services and assistance described in section 702 of the Rehabilitation Act of 1973 (29 U.S.C. 796). 29 USC 796a.

"(c) A rehabilitation program (including individual courses) to be pursued by a veteran shall be subject to the approval of the Administrator.

38 USC 1505.

"§ 1505. Duration of rehabilitation programs

"(a) In any case in which the Administrator is unable to determine whether it is reasonably feasible for a veteran to achieve a vocational goal, the period of extended evaluation under section 1506(c) of this title may not exceed twelve months, except that such period may be extended for additional periods of up to six months each if the Administrator determines before granting any such extension that it is reasonably likely that, during the period of any such extension, a determination can be made whether the achievement of a vocational goal is reasonably feasible in the case of such veteran.

"(b) Except as provided in subsection (c) of this section, the period of a vocational rehabilitation program for a veteran under this chapter following a determination of the reasonable feasibility of achieving a vocational goal may not exceed forty-eight months, except that the counseling and placement and postplacement services described in section 1504(a) (2) and (5) of this title may be provided for an additional period not to exceed eighteen months in any case in which the Administrator determines the provision of such counseling and services to be necessary to accomplish the purposes of a rehabilitation program in the individual case.

Extensions.

"(c) The Administrator may extend the period of a vocational rehabilitation program for a veteran to the extent that the Administrator determines that an extension of such period is necessary to enable such veteran to achieve a vocational goal if the Administrator also determines—

"(1) that such veteran had previously been rehabilitated to the point of employability but (A) such veteran's need for further vocational rehabilitation has arisen out of a worsening of such veteran's service-connected disability that precludes such veteran from performing the duties of the occupation for which such veteran had been so rehabilitated, or (B) the occupation for which such veteran had been so rehabilitated is not suitable in view of such veteran's employment handicap and capabilities; or

"(2) under regulations which the Administrator shall prescribe, that such veteran has a serious employment handicap and that an extension of such period is necessary to accomplish the purposes of a rehabilitation program for such veteran.

"(d) Unless the Administrator determines that a longer period is necessary and likely to result in a substantial increase in a veteran's level of independence in daily living, the period of a program of independent living services and assistance for a veteran under this chapter (following a determination by the Administrator that such veteran's disability or disabilities are so severe that the achievement of a vocational goal is not reasonably feasible) may not exceed twenty-four months.

38 USC 1506.

"§ 1506. Initial and extended evaluations; determinations regarding serious employment handicap

"(a) The Administrator shall provide any veteran who has a service-connected disability described in section 1502(1) (A) or (B) of this title and who applies for benefits under this chapter with an intitial evaluation consisting of such services described in section 1504(a)(1) of this title as are necessary (1) to determine whether such veteran is entitled to and eligible for benefits under this chapter, and (2) in the case of a veteran who is determined to be entitled to and eligible for such benefits, to determine—

"(A) whether such veteran has a serious employment handicap, and

"(B) whether the achievement of a vocational goal is reasonably feasible for such veteran if it is reasonably feasible to make such determination without extended evaluation.

"(b) In any case in which the Administrator has determined that a veteran has a serious employment handicap and that the achievement of a vocational goal is reasonably feasible for such veteran, such veteran shall be provided counseling in accordance with an individualized written plan of vocational rehabilitation developed under section 1507(a) of this title.

"(c) In any case in which the Administrator has determined that a veteran has a serious employment handicap but the Administrator is unable to determine, in an initial evaluation pursuant to subsection (a) of this section, whether or not the achievement of a vocational goal is reasonably feasible, such veteran shall be provided with extended evaluation consisting of the services described in section 1504(a)(1) of this title, such services under this chapter as the Administrator determines necessary to improve such veteran's potential for participation in a program of services designed to achieve a vocational goal and enable such veteran to achieve maximum independence in daily living, and assistance as authorized by section 1508 of this title.

"(d) The Administrator shall in all cases determine as expeditiously as possible whether the achievement of a vocational goal by a veteran is reasonably feasible. In the case of a veteran provided extended evaluation under subsection (c) of this section (including any periods of extensions under section 1505(a) of this title), the Administrator shall make such determination not later than the end of such extended evaluation or period of extension, as the case may be. In determining whether the achievement of a vocational goal is reasonably feasible, the Administrator shall resolve any reasonable doubt in favor of determining that such achievement is reasonably feasible.

"(e) In connection with each period of extended evaluation of a veteran and each rehabilitation program for a veteran who is determined to have a serious employment handicap, the Administrator shall assign a Veterans' Administration employee to be responsible for the management and followup of the provision of all services (including appropriate coordination of employment assistance under section 1517 of this title) and assistance under this chapter to such veteran.

"§1507. Individualized vocational rehabilitation plan

38 USC 1507.

"(a) The Administrator shall formulate an individualized written plan of vocational rehabilitation for a veteran described in section 1506(b) of this title. Such plan shall be developed with such veteran and shall include, but not be limited to (1) a statement of long-range rehabilitation goals for such veteran and intermediate rehabilitation objectives related to achieving such goals, (2) a statement of the specific services (which shall include counseling in all cases) and assistance to be provided under this chapter, (3) the projected date for the initiation and the anticipated duration of each such service, and (4) objective criteria and an evaluation procedure and schedule for determining whether such objectives and goals are being achieved.

Review.

"(b) The Administrator shall review at least annually the plan formulated under subsection (a) of this section for a veteran and shall afford such veteran the opportunity to participate in each such review. On the basis of such review, the Administrator shall (1) redevelop such plan with such veteran if the Administrator determines, under regulations which the Administrator shall prescribe, that redevelopment of such plan is appropriate, or (2) disapprove redevelopment of such plan if the Administrator determines, under such regulations, that redevelopment of such plan is not appropriate.

"(c)(1) Each veteran for whom a plan has been developed or redeveloped under subsection (a) or (b)(1), respectively, of this section or in whose case redevelopment of a plan has been disapproved under subsection (b)(2) of this section, shall be informed of such veteran's opportunity for a review as provided in paragraph (2) of this subsection.

Written disagreement statement.

"(2) In any case in which a veteran does not agree to such plan as proposed, to such plan as redeveloped, or to the disapproval of redevelopment of such plan, such veteran may submit to the person described in section 1506(e) of this title a written statement containing such veteran's objections and request a review of such plan as proposed or redeveloped, or a review of the disapproval of redevelopment of such plan, as the case may be.

Statement review.

"(3) The Administrator shall review the statement submitted under paragraph (2) of this subsection and the plan as proposed or as redeveloped, and, if applicable, the disapproval of redevelopment of the plan, and render a decision on such review not later than ninety days after the date on which such veteran submits such statement, unless the case is one for which a longer period for review, not to exceed 150 days after such veteran submits such statement, is allowed under regulations prescribed by the Administrator, in which case the Administrator shall render a decision no later than the last day of the period prescribed in such regulations.

38 USC 1508.

"§ 1508. Allowances

"(a)(1) Except in the case of a veteran who makes an election under subsection (f) of this section and subject to the provisions of paragraph (3) of this subsection, each veteran shall be paid a subsistence allowance in accordance with this section during a period determined by the Administrator to be a period of such veteran's participation under this chapter in a rehabilitation program.

"(2) In any case in which the Administrator determines, at the conclusion of such veteran's pursuit of a vocational rehabilitation program under this chapter, that such veteran has been rehabilitated to the point of employability, such veteran shall be paid a subsistence allowance, as prescribed in this section for full-time training for the type of program that the veteran was pursuing, for two months following the conclusion of such pursuit.

"(3) A subsistence allowance may not be paid under this chapter to a veteran for any period during which such veteran is being provided with an initial evaluation under section 1506(a) of this title or during which such veteran is being provided only with counseling or with placement or postplacement services under section 1505(b) of this title.

"(b) Except as otherwise provided in this section, the Administrator shall determine the subsistence allowance to be paid to a veteran under this chapter in accordance with the following table, which shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

“Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$282	$349	$411	$30
Three-quarter-time	212	262	308	23
Half-time	141	175	206	15
Farm cooperative, apprentice, or other on-job training:				
Full-time	246	297	343	22
Extended evaluation:				
Full-time	282	349	411	30
Independent living training:				
Full-time	282	349	411	30
Three-quarter-time	212	262	308	23
Half-time	141	175	206	15”.

On-job training, required employer statement.

“(c)(1) In any case in which the vocational rehabilitation program for a veteran includes training on the job by an employer in any month, such employer shall be required to submit to the Administrator a statement in writing showing any wage, compensation, or other income paid (directly or indirectly) by the employer to such veteran for such month. Based upon such written statement, the Administrator is authorized to reduce the subsistence allowance of such veteran to an amount considered equitable and just in accordance with criteria which the Administrator shall establish in regulations which the Administrator shall prescribe.

“(2) A veteran pursuing on-job training or work experience as part of a vocational rehabilitation program in a Federal agency under the provisions of section 1515(a)(1) of this title without pay or for nominal pay shall be paid the appropriate subsistence allowance rate provided in subsection (b) of this section for an institutional program.

“(d)(1) The Administrator shall, in accordance with regulations which the Administrator shall prescribe, define full-time and each part-time status for veterans participating in rehabilitation programs under this chapter.

“(2) A veteran participating in extended evaluation on less than a full-time basis may be paid a proportional subsistence allowance in accordance with regulations which the Administrator shall prescribe.

“(e) In any case in which a veteran is pursuing a rehabilitation program on a residential basis in a specialized rehabilitation facility, the Administrator may (1) pay to such facility the cost of such veteran’s room and board in lieu of payment to such veteran of the subsistence allowance (not including any portion payable for any dependents) payable under subsection (b) of this section, and (2) pay to such veteran that portion of the allowance for dependents payable, as determined by such veteran's dependency status, under subsection (b) of this section for a full-time institutional program.

Educational assistance program.
38 USC 1651 et seq.

"(f)(1)(A) In any case in which the Administrator determines that a veteran is entitled to rehabilitation under this chapter, to the extent that such veteran has remaining eligibility for and entitlement to educational assistance benefits under chapter 34 of this title, such veteran may elect, as part of a vocational rehabilitation program under this chapter, to pursue an approved program of education and receive allowances and other forms of assistance equivalent to those authorized for veterans enrolled under chapter 34 of this title, if the Administrator approves the educational, professional, or vocational objective chosen by such veteran for such program.

"(B) In the event that such veteran makes such an election, the terms and conditions applicable to the pursuit of a comparable program of education and the payment of allowances and provision of assistance under chapter 34 of this title for such a comparable program shall be applied to the pursuit of the approved program of education under this chapter.

"(2) A veteran who is receiving an allowance pursuant to paragraph (1) of this subsection may not receive any of the services or assistance described in section 1504(a) (3), (7), and (8) of this title (other than an allowance and other assistance under this subsection).

Convicted felons, subsistence nonpayment.

"(g)(1) Notwithstanding any other provision of this title and subject to the provisions of paragraph (2) of this subsection, no subsistence allowance may be paid under this section in the case of any veteran who is pursuing a rehabilitation program under this chapter while incarcerated in a Federal, State, or local penal institution for conviction of a felony.

"(2) Paragraph (1) of this subsection shall apply in the case of any veteran who is pursuing a rehabilitation program under this chapter while residing in a halfway house or participating in a work-release program in connection with such veteran's conviction of a felony if the Administrator determines that all the veteran's living expenses are being defrayed by a Federal, State, or local government.

"(h) Notwithstanding any other provision of this title, the amount of subsistence allowance, or other allowance under subsection (f) of this section, that may be paid to a veteran pursuing a rehabilitation program for any month for which such veteran receives compensation at the rate prescribed in section 314(j) of this title as the result of hospital treatment (not including post-hospital convalescence) or observation at the expense of the Veterans' Administration may not exceed, when added to any compensation to which such veteran is entitled for such month, an amount equal to the greater of—

38 USC 314.

"(1) the sum of—

"(A) the amount of monthly subsistence or other allowance that would otherwise be paid to such veteran under this section, and

"(B) the amount of monthly compensation that would be paid to such veteran if such veteran were not receiving compensation at such rate as the result of such hospital treatment or observation; or

"(2) the amount of monthly compensation payable under section 314(j) of this title.

38 USC 1780.

"(i) Payment of a subsistence allowance may be made in advance in accordance with the provisions of section 1780(d) of this title.

“§1509. Entitlement to independent living services and assistance

38 USC 1509.

“In any case in which the Administrator has determined under section 1506(d) of this title that the achievement of a vocational goal by a veteran is not reasonably feasible, such veteran shall be entitled, in accordance with the provisions of section 1520 of this title, to a program of independent living services and assistance designed to enable such veteran to achieve maximum independence in daily living.

“§1510. Leaves of absence

Regulations.
38 USC 1510.

“The Administrator shall prescribe such regulations as the Administrator determines necessary for granting leaves of absence to veterans pursuing rehabilitation programs under this chapter. During authorized leaves of absence, a veteran shall be considered to be pursuing such program.

“§1511. Regulations to promote satisfactory conduct and cooperation

38 USC 1511.

“The Administrator shall prescribe such rules and regulations as the Administrator determines necessary to promote satisfactory conduct and cooperation on the part of veterans who are pursuing rehabilitation programs under this chapter. In any case in which the Administrator determines that a veteran has failed to maintain satisfactory conduct or cooperation, the Administrator may, after determining that all reasonable counseling efforts have been made and are not reasonably likely to be effective, discontinue services and assistance unless the Administrator determines that mitigating circumstances exist. In any case in which such services and assistance have been discontinued, the Administrator may reinstitute such services and assistance only if the Administrator determines that—

“(1) the cause of the unsatisfactory conduct or cooperation of such veteran has been removed; and

“(2) the rehabilitation program which such veteran proposes to pursue (whether the same or revised) is suitable to such veteran's abilities, aptitudes, and interests.

“§1512. Revolving fund loans

38 USC 1512.

“The revolving fund established pursuant to part VII of Veterans Regulation Numbered 1(a) is continued in effect, and may be used by the Administrator, under regulations prescribed by the Administrator, for making advances, not in excess of twice the amount of the full-time institutional monthly subsistence allowance for a veteran with no dependents (as provided in section 1508(b) of this title) to veterans pursuing rehabilitation programs under this chapter. Such advances, and advances from such fund made before the effective date of the Veterans' Rehabilitation and Education Amendments of 1980, shall bear no interest and shall be repaid in such installments, as may be determined by the Administrator, by proper deductions from future payments of compensation, pension, subsistence allowance, educational assistance allowance, or retirement pay.

Ante, p. 2171.

“§1513. Vocational rehabilitation for hospitalized members of the Armed Forces and veterans

38 USC 1513.

“(a) Services and assistance may be provided under this chapter to a person described in section 1502 (1)(B) and (2) of this title who is hospitalized pending discharge from active military, naval, or air service. In such cases, no subsistence allowance shall be paid.

"(b) Services and assistance may be provided under this chapter to a veteran who is receiving care in a Veterans' Administration hospital, nursing home, or domiciliary facility or in any other hospital or medical facility.

38 USC 1514.

"§ 1514. Vocational rehabilitation outside the United States

"Under regulations which the Administrator shall prescribe, a vocational rehabilitation program under this chapter may be provided outside the United States if the Administrator determines that such training is (1) necessary in the particular case to provide the preparation needed to render a veteran employable and enable such veteran to obtain and retain suitable employment, and (2) in the best interest of such veteran and the Federal Government.

38 USC 1515.

"§ 1515. Rehabilitation resources

"(a) Notwithstanding any other provision of law, for the purpose of providing services under this chapter, the Administrator may—

"(1) use the facilities of any Federal agency (including the Veterans' Administration) to provide training or work experience as part or all of a veteran's vocational rehabilitation program without pay or for nominal pay in any case in which the Administrator determines that such training or work experience is necessary to accomplish such veteran's rehabilitation;

"(2) use the facilities, staff, and other resources of the Veterans' Administration;

"(3) employ such additional personnel and experts as the Administrator considers necessary; and

"(4) use the facilities and services of any Federal, State, or other public agency, any agency maintained by joint Federal and State contributions, any public or private institution or establishment, and any private individual.

"(b)(1) While pursuing on-job training or work experience under subsection (a)(1) of this section, a veteran shall be considered to be an employee of the United States for the purposes of the benefits of chapter 81 of title 5, but not for the purposes of laws administered by the Office of Personnel Management.

5 USC 8101 *et seq.*

38 USC 601 *et seq.*

"(2) Except as provided in chapter 17 of this title, hospital care and medical services provided under this chapter shall be furnished in facilities over which the Administrator has direct jurisdiction.

"(3) Use of facilities and services under clause (4) of subsection (a) of this section, shall be procured through contract, agreement, or other cooperative arrangement.

38 USC 1516.

"§ 1516. Promotion of employment and training opportunities

"(a) The Administrator shall actively promote the development and establishment of employment, training, and other related opportunities for (1) veterans who are participating or who have participated in a rehabilitation program under this chapter, (2) veterans with service-connected disabilities, and (3) other veterans to whom the employment emphases set forth in chapter 42 of this title apply. The Administrator shall promote the development and establishment of such opportunities through Veterans' Administration staff outreach efforts to employers and through Veterans' Administration coordination with Federal, State, and local governmental agencies and appropriate nongovernmental organizations. In carrying out the provisions of this subsection with respect to veterans referred to in clause (3) of the first sentence of this subsection, the Administrator shall place particular emphasis on the needs of catego-

38 USC 2011 *et seq.*

ries of such veterans on the basis of applicable rates of unemployment.

On-job training payments.

"(b)(1) The Administrator, pursuant to regulations prescribed in accordance with paragraph (3) of this subsection, may make payments to employers for providing on-job training to veterans who have been rehabilitated to the point of employability in individual cases in which the Administrator determines that such payment is necessary to obtain needed on-job training or to begin employment. Such payments may not exceed the direct expenses incurred by such employers in providing such on-job training or employment opportunity.

"(2) In any case in which a veteran described in paragraph (1) of this subsection participates in on-job training described in such paragraph that satisfies the criteria for payment of a training assistance allowance under section 1787 of this title, such veteran shall, to the extent that such veteran has remaining eligibility for and entitlement to such allowance, be paid such allowance.

38 USC 1787.

Regulations.

"(3) The Administrator shall prescribe regulations under this subsection in consultation with the Secretary of Labor and, in prescribing such regulations, shall take into consideration the provisions of title V of the Rehabilitation Act of 1973 (29 U.S.C. ch. 16, subch. V) and section 2012 of this title, and regulations prescribed under such provisions.

29 USC 790.
38 USC 2012.

"§ 1517. Employment assistance

38 USC 1517.

"(a)(1) A veteran with a service-connected disability who has participated in a vocational rehabilitation program under this chapter or a similar program under the Rehabilitation Act of 1973 and who the Administrator has determined to be employable shall be furnished assistance in obtaining employment consistent with such veteran's abilities, aptitudes, interests, and employment handicap, including assistance necessary to insure that such veteran receives the benefit of any applicable provisions of law or regulation providing for special consideration or emphasis or preference for such veteran in employment or training.

29 USC 701 note.

"(2) Assistance provided under this subsection may include—

"(A) direct placement of such veteran in employment;

"(B) utilization of the services of disabled veterans outreach program specialists under section 2003A of this title; and

Post, p. 2204.

"(C) utilization of the job development and placement services of (i) programs under the Rehabilitation Act of 1973, (ii) the State employment service and the Veterans' Employment Service of the Department of Labor, (iii) the Office of Personnel Management, and (iv) any other public or nonprofit organization having placement services available.

"(b)(1) In any case in which a veteran has completed a vocational rehabilitation program for self-employment in a small business enterprise under this chapter, the Administrator shall cooperate with the Small Business Administration to assist such veteran to secure a loan for the purchase of equipment needed to establish such veteran's own business and to insure that such veteran receives the special consideration provided for in section 8 of the Small Business Act (15 U.S.C. 633(b)).

"(2) In the case of a veteran described in clause (12) of section 1504(a) of this title who has trained under a State rehabilitation program with the objective of self-employment in a small business enterprise, the Administrator may, subject to the limitations and criteria provided for in such clause, provide such veteran with such supplementary equipment and initial stocks and supplies as are determined to be needed by such veteran if such supplementary equipment and initial stocks and supplies, or assistance in acquiring them, are not available through the State program or other sources.

38 USC 1518.

"§ 1518. Personnel training, development, and qualifications

"(a) The Administrator shall provide a program of ongoing professional training and development for Veterans' Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter. The objective of such training shall be to insure that rehabilitation services for disabled veterans are provided in accordance with the most advanced knowledge, methods, and techniques available for the rehabilitation of handicapped persons. For this purpose, the Administrator may employ the services of consultants and may make grants to and contract with public or private agencies (including institutions of higher learning) to conduct such training and development.

"(b) The Administrator shall coordinate with the Commissioner of the Rehabilitation Services Administration in the Department of Education and the Assistant Secretary for Veterans' Employment in the Department of Labor in planning and carrying out personnel training in areas of mutual programmatic concern.

"(c) Notwithstanding any other provision of law, the Administrator shall establish such qualifications for personnel providing evaluation and rehabilitation services to veterans under this chapter and for employees performing the functions described in section 1506(e) of this title as the Administrator determines are necessary and appropriate to insure the quality of rehabilitation programs under this chapter. In establishing such qualifications, the Administrator shall take into account the qualifications established for comparable personnel under the Rehabilitation Act of 1973 (29 U.S.C. ch. 16).

29 USC 701 *et seq.*

38 USC 1519.

"§ 1519. Rehabilitation research and special projects

"(a) The Administrator shall carry out an ongoing program of activities for the purpose of advancing the knowledge, methods, techniques, and resources available for use in rehabilitation programs for veterans. For this purpose, the Administrator shall conduct and provide support for the development or conduct, or both the development and conduct, of—

"(1) studies and research concerning the psychological, educational, employment, social, vocational, industrial, and economic aspects of the rehabilitation of disabled veterans, including new methods of rehabilitation; and

"(2) projects which are designed to increase the resources and potential for accomplishing the rehabilitation of disabled veterans.

Grants or contracts.

"(b) For the purpose specified in subsection (a) of this section, the Administrator is authorized to make grants to or contract with public or nonprofit agencies, including institutions of higher learning.

"(c) The Administrator shall cooperate with the Commissioner of the Rehabilitation Services Administration and the Director of the Institute of Handicapped Research in the Department of Education, the Assistant Secretary for Veterans' Employment in the Department of Labor, and the Secretary of Health and Human Services regarding rehabilitation studies, research, and special projects of mutual programmatic concern.

"§1520. Pilot program of independent living services and assistance

38 USC 1520.

"(a)(1) During fiscal years 1982 through 1985, the Administrator may, under contracts with public or nonprofit private agencies or organizations, or through facilities of the Department of Medicine and Surgery, which possess a demonstrated capability to conduct programs of independent living services for severely handicapped persons, provide, under regulations which the Administrator shall prescribe, programs of independent living services and assistance under this chapter, in various geographic regions of the United States, to veterans described in paragraph (2) of this subsection.

"(2) A program of independent living services and assistance may be made available under this section only to a veteran who has a service-connected disability described in section 1502(1)(A) of this title and with respect to whom it is determined under section 1506(d) of this title that the achievement of a vocational goal is not reasonably feasible and who is selected pursuant to criteria provided for in regulations prescribed under paragraph (1) of this subsection.

"(3) The Administrator shall, to the maximum extent feasible, include among those veterans who are provided with programs of independent living services and assistance under this section substantial numbers of veterans described in paragraph (2) of this subsection who are receiving long-term care in Veterans' Administration hospitals and nursing homes and in nursing homes with which the Administrator contracts for the provision of care to veterans.

"(4) A program of independent living services and assistance for a veteran shall consist of such services described in section 1504 (a) and (b) of this title as the Administrator determines necessary to enable such veteran to achieve maximum independence in daily living. Such veteran shall have the same rights with respect to an individualized written plan of services and assistance as are afforded veterans under section 1507 of this title.

"(5) Any contract for services initiated with respect to any veteran under this section before the end of fiscal year 1985 may be continued in effect after the end of such year for the purposes of providing services and assistance to such veteran in accordance with the provisions of this chapter.

"(6) Programs of independent living services and assistance shall be initiated for no more than five hundred veterans in each of the fiscal years 1982 through 1985, and the first priority in the provision of such programs shall be afforded to veterans for whom the reasonable feasibility of achieving a vocational goal is precluded solely as a result of a service-connected disability.

Report to Congress.

"(b) Not later than September 30, 1984, the Administrator shall submit to the Congress a report on the programs of independent living services and assistance provided for in subsection (a) of this section. Such report shall include—

"(1) the results of a study which the Administrator shall conduct of the accomplishments and cost-effectiveness of such programs, including the extent to which (A) such programs have met needs for comprehensive independent living services that would not otherwise have been met, (B) severely disabled veterans have achieved and maintained greater independence in daily living as a result of participation in the programs, and (C) costs of care in hospital, nursing home, and domiciliary facilities have been and may be avoided as the result of such programs; and

"(2) the Administrator's recommendations for any legislative changes with respect to the provision of independent living services and assistance to veterans for whom the achievement of a vocational goal is not feasible.

Establishment.
38 USC 1521.

"§1521. Veterans' Advisory Committee on Rehabilitation

"(a)(1) The Administrator shall appoint an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation (hereinafter in this section referred to as the 'Committee').

Membership.

"(2) The members of the Committee shall be appointed by the Administrator from the general public and shall serve for terms to be determined by the Administrator not to exceed three years. Veterans with service-connected disabilities shall be appropriately represented in the membership of the Committee, and the Committee shall also include persons who have distinguished themselves in the public and private sectors in the fields of rehabilitation medicine, vocational guidance, vocational rehabilitation, and employment and training programs. The Administrator may designate one of the members of the Committee appointed under this paragraph to chair the Committee.

"(3) The Committee shall also include as ex officio members the following: (A) one representative from the Department of Medicine and Surgery and one from the Department of Veterans' Benefits, (B) one representative from the Rehabilitation Services Administration of the Department of Education and one from the National Institute for Handicapped Research of the Department of Education, and (C) one representative of the Assistant Secretary of Labor for Veterans' Employment of the Department of Labor.

"(b) The Administrator shall, on a regular basis, consult with and seek the advice of the Committee with respect to the administration of veterans' rehabilitation programs under this title.

Report to
Administrator.

"(c) The Committee shall submit to the Administrator an annual report on the rehabilitation programs and activities of the Veterans' Administration and shall submit such other reports and recommendations to the Administrator as the Committee determines appropriate. The annual report shall include an assessment of the rehabilitation needs of veterans and a review of the programs and activities of the Veterans' Administration designed to meet such needs. The Administrator shall submit with each annual report submitted to the Congress pursuant to section 214 of this title a copy of all reports and recommendations of the Committee submitted to the Administrator since the previous annual report of the Administrator was submitted to the Congress pursuant to such section.".

Report to
Congress.
38 USC 214.

(b) The items relating to chapter 31 in the table of chapters at the beginning of title 38, United States Code, and in the table of chapters at the beginning of part III of such title, are amended to read as follows:

"31. Training and Rehabilitation for Veterans with Service-Connected Disabilities .... 1,500".

38 USC 1508
note.
Ante, p. 2178.
38 USC 3107.

(c) The provisions of section 1508(g)(1) of title 38, United States Code, as added by subsection (a), shall not apply to an apportionment made under section 3107(c) of such title before the date of the enactment of this Act.

38 USC 1507
note.
Ante, p. 2171.

(d) With respect to veterans who are participating in a program of vocational rehabilitation under chapter 31 of title 38, United States Code, on March 31, 1981—

(1) individualized written plans of vocational rehabilitation shall be formulated under section 1507 of such title (as amended by subsection (a)) for such veterans to the extent that and at such times as the Administrator determines that the formulation of such plans is feasible and on the basis of such priorities for the formulation of such plans as the Administrator shall prescribe; and

Ante, p. 2177.

(2) extensions may be granted a veteran under sections 1503(c) and 1505(c)(2) of such title (as amended by subsection (a)) without regard to the requirement for a determination of a serious employment handicap.

Ante, pp. 2173, 2176.

LIMITATION ON PAYMENT OF SUBSISTENCE ALLOWANCE

SEC. 102. Section 1781 is amended by inserting a comma and "or subsistence allowance granted under chapter 31," after "36".

38 USC 1781.

LIMITATION ON PERIOD OF ASSISTANCE UNDER TWO OR MORE PROGRAMS

SEC. 103. Section 1795 is amended by—

38 USC 1795.

(1) inserting "(a)" before "The aggregate";

(2) striking out clause (4) and inserting in lieu thereof the following:

"(4) chapters 32, 34, 35, and 36 of this title and the former chapter 33;";

38 USC 1601 *et seq.*, 1651 *et seq.*, 1700 *et seq.*, 1770 *et seq.*

(3) striking out after "thereof)" the comma and "but this section shall not be deemed to limit the period for which assistance may be received under chapter 31 alone" and inserting in lieu thereof a period; and

Ante, p. 2171.

(4) adding at the end the following new subsection:

"(b) No person may receive assistance under chapter 31 of this title in combination with assistance under any of the provisions of law cited in clauses (1), (2), (3), and (4) of this section in excess of forty-eight months (or the part-time equivalent thereof) unless the Administrator determines that additional months of benefits under chapter 31 of this title are necessary to accomplish the purposes of a rehabilitation program (as defined in section 1501(5) of this title) in the individual case.".

Ante, p. 2172.

TITLE II—GI BILL RATE INCREASES

PART A—INCREASES EFFECTIVE OCTOBER 1, 1980

RATES OF EDUCATIONAL ASSISTANCE FOR VETERANS

SEC. 201. Chapter 34 is amended by—

(1) striking out "$288" in the last sentence of section 1677(b) and inserting in lieu thereof "$302";

38 USC 1677.

(2) amending the table contained in paragraph (1) of section 1682(a) to read as follows:

38 USC 1682.

“Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$327	$389	$443	$27
Three-quarter-time.	245	292	332	20
Half-time	164	195	222	14
Cooperative	264	309	351	21”;

38 USC 1682. (3) striking out “$311” in section 1682(b) and inserting in lieu thereof “$327”;

(4) amending the table contained in paragraph (2) of section 1682(c) to read as follows:

“Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$264	$309	$351	$20
Three-quarter-time.	198	232	263	15
Half-time	132	155	176	10”;

and

38 USC 1692. (5) striking out “$69” and “$828” in section 1692(b) and inserting in lieu thereof “$72” and “$869”, respectively.

RATES OF EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS

SEC. 202. Chapter 35 is amended by—

38 USC 1732. (1) striking out “$251” in section 1732(b) and inserting in lieu thereof “$264”; and

38 USC 1742. (2) striking out “$311”, “$98”, “$98”, and “$10.40” in section 1742(a) and inserting in lieu thereof “$327”, “$103”, “$103”, and “$10.92”, respectively.

RATES FOR STATE APPROVING AGENCIES’ ADMINISTRATIVE EXPENSES, TRAINING ALLOWANCES FOR TRAINING ON THE JOB, AND FOR EDUCATION LOANS

SEC. 203. Chapter 36 is amended by—

38 USC 1774. (1) amending subsection (b) of section 1774 to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$662.
Over $5,000 but not exceeding $10,000	$1,191.
Over $10,000 but not exceeding $35,000	$1,191 for the first $10,000, plus $1,103 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	$7,205.
Over $40,000 but not exceeding $75,000	$7,205 for the first $40,000, plus $953 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	$14,288.
Over $80,000	$14,288 for the first $80,000, plus $833 for each additional $5,000 or fraction thereof."

(2) striking out "$311" in section 1786(a)(2) and inserting in lieu thereof "$327"; 38 USC 1786.

(3) amending the table contained in paragraph (1) of section 1787(b) to read as follows: 38 USC 1787.

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$237	$267	$291	$13
Second 6 months	177	207	232	13
Third 6 months	119	148	172	13
Fourth and any succeeding 6-month periods.	59	88	113	13";

and

(4) striking out "$311" in paragraph (3) of section 1798(b) and inserting in lieu thereof "$327". 38 USC 1798.

PART B—INCREASES EFFECTIVE JANUARY 1, 1981

RATES OF EDUCATIONAL ASSISTANCE FOR VETERANS

SEC. 211. Chapter 34 is amended by—

(1) striking out "$302" in the last sentence of section 1677(b) and inserting in lieu thereof "$317"; 38 USC 1677.

(2) amending the table contained in paragraph (1) of section 1682(a) to read as follows: 38 USC 1682.

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$342	$407	$464	$29
Three-quarter-time.	257	305	348	22
Half-time	171	204	232	15
Cooperative	276	323	367	21".

38 USC 1682. (3) striking out "$327" in section 1682(b) and inserting in lieu thereof "$342";

(4) amending the table contained in paragraph (2) of section 1682(c) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$276	$323	$367	$21
Three-quarter-time.	207	242	275	16
Half-time	138	162	184	11".

and

38 USC 1692. (5) striking out "$72" and "$869" in section 1692(b) and inserting in lieu thereof "$76" and "$911", respectively.

RATES OF EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS

SEC. 212. Chapter 35 is amended by—

38 USC 1732. (1) striking out "$264" in section 1732(b) and inserting in lieu thereof "$276"; and

38 USC 1742. (2) striking out "$327", "$103", "$103", and "$10.92" in section 1742(a) and inserting in lieu thereof "$342", "$108", "$108", and "$11.44", respectively.

RATES FOR STATE APPROVING AGENCIES' ADMINISTRATIVE EXPENSES, FOR TRAINING ALLOWANCE FOR TRAINING ON THE JOB, AND FOR EDUCATION LOANS

SEC. 213. Chapter 36 is amended by—

38 USC 1774. (1) amending subsection (b) of section 1774 to read as follows:

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"(b) The allowance for administrative expenses incurred pursuant subsection (a) of this section shall be paid in accordance with the llowing formula:

otal salary cost reimbursable under this section	Allowable for administrative expense
,000 or less	$693.
ver $5,000 but not exceeding $10,000	$1,247.
ver $10,000 but not exceeding $35,000	$1,247 for the first $10,000, plus $1,155 for each additional $5,000 or fraction thereof.
ver $35,000 but not exceeding $40,000	$7,548.
ver $40,000 but not exceeding $75,000	$7,548 for the first $40,000, plus $999 for each additional $5,000 or fraction thereof.
ver $75,000 but not exceeding $80,000	$14,969.
ver $80,000	$14,969 for the first $80,000, plus $872 for each additional $5,000 or fraction thereof.".

(2) striking out "$327" in section 1786(a)(2) and inserting in lieu thereof "$342"; 38 USC 1786.

(3) amending the table contained in paragraph (1) of section 1787(b) to read as follows: 38 USC 1787.

"Column I	Column II	Column III	Column IV	Column V
eriods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
irst 6 months	$249	$279	$305	$13
econd 6 months	186	217	243	13
hird 6 months	124	155	180	13
ourth and any succeeding 6-month periods.	62	92	119	13".

and

(4) striking out "$327" in paragraph (3) of section 1798(b) and inserting in lieu thereof "$342". 38 USC 1798.

TITLE III—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

PART A—EDUCATIONAL ASSISTANCE FOR VETERANS

RIOD WITHIN WHICH APPLICATION FOR EXTENSION OF DELIMITING PERIOD MUST BE FILED AND MEASUREMENT OF EXTENSION

SEC. 301. Section 1662(a)(1) is amended by— 38 USC 1662.

(1) inserting "made within one year after (A) the last date of the delimiting period otherwise applicable under this section, (B) the termination of the period of such mental or physical disability, or (C) the effective date of the Veterans' Rehabilitation and Education Amendments of 1980, whichever is the latest" after "application"; *Ante*, p. 2171.

(2) inserting "so" after "that such veteran was" in such paragraph; and

(3) adding at the end the following new sentence: "When an extension of the applicable delimiting period is granted a veteran under the preceding sentence, the delimiting period with respect to such veteran will again begin running on the first day following such veteran's recovery from such disability on which it is reasonably feasible, as determined in accordance with regulations which the Administrator shall prescribe, for such veteran to initiate or resume pursuit of a program of education with educational assistance under this chapter.".

CLARIFICATION OF AUTHORITY OF ADMINISTRATOR TO DISAPPROVE AN APPLICATION FOR BENEFITS

38 USC 1671.

SEC. 302. The second sentence of section 1671 is amended to read as follows: "The Administrator shall approve such application unless the Administrator finds that (1) such veteran or person is not eligible for or entitled to the educational assistance for which application is made, (2) the veteran's or person's selected educational institution or training establishment fails to meet any requirement of this chapter or chapter 36 of this title, (3) the veteran's or person's enrollment in, or pursuit of, the program of education selected would violate any provision of this chapter or chapter 36 of this title, or (4) the veteran or person is already qualified, by reason of previous education or training, for the educational, professional, or vocational objective for which the program of education is offered.".

38 USC 1770 *et seq.*

MODIFICATION OF 50-PERCENT EMPLOYMENT RULE FOR VOCATIONAL COURSES

38 USC 1673.

SEC. 303. Section 1673(a) is amended by—

(1) inserting "(1)" before "The";

(2) redesignating clauses (1), (2), (3), and (4) as clauses (A), (B), (C), and (D), respectively;

(3) amending clause (B) of paragraph (1), as redesignated by clause (2) of this section, to read as follows:

"(B) any course with a vocational objective, unless the eligible veteran or the institution offering such course presents evidence satisfactory to the Administrator showing that at least one-half of the persons who completed such course over such period, and who are not unavailable for employment, attained employment for an average of ten hours a week in an occupational category for which the course was designed to provide training;"; and

(4) adding at the end the following new paragraph:

"(2)(A) For the purposes of clause (B) of paragraph (1) of this subsection, in computing the number of persons who discontinued or completed a course over any two-year period, there shall not be included in such number those persons who received assistance under this title for pursuing such course while serving on active duty.

"(B) The provisions of clause (B) of paragraph (1) of this subsection shall not apply in the case of a particular course offered by an educational institution in a particular year if the total number of eligible veterans and eligible persons (as defined in section 1701(a)(1) of this title) enrolled in the institution during the two-year period preceding such year did not exceed 35 percent of the total enrollment in such institution during such period and the course has met the

38 USC 1701.

requirements of such clause for any two-year period ending on or after the date of the enactment of this paragraph.

"(C) The Administrator may waive the requirements under clause (B) of paragraph (1) of this subsection if the Administrator determines, under regulations which the Administrator shall prescribe, that such requirements would work an undue administrative hardship on an educational institution because of the small proportion of eligible veterans and eligible persons (as defined in section 1701(a)(1) of this title) enrolled in such institution.".

Requirements, waiver.

38 USC 1701.

APPROVAL OF COURSES OFFERED THROUGH OPEN CIRCUIT TELEVISION

Sec. 304. Subsection (c) of section 1673 is amended to read as follows:

38 USC 1673.

"(c) The Administrator shall not approve the enrollment of an eligible veteran in any course to be pursued by radio or by open circuit television, except that the Administrator may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through open circuit television.".

ELIMINATION FROM COMPUTATION OF 85-15 RULE OF THE NUMBER OF PERSONS RECEIVING BASIC ECONOMIC OPPORTUNITY GRANTS AND SUPPLEMENTAL ECONOMIC OPPORTUNITY GRANTS

Sec. 305. The first sentence of section 1673(d) is amended by—

38 USC 1673.

(1) striking out the comma after "institution" and inserting in lieu thereof "or"; and

(2) striking out "and/or by grants from any Federal agency".

STANDARDS FOR DETERMINING SATISFACTORY PROGRESS

Sec. 306. Section 1674 is amended by striking out the second sentence.

38 USC 1674.

EDUCATION OUTSIDE THE UNITED STATES

Sec. 307. (a) Section 1652(f) is amended by adding at the end the following new sentence: "Such term shall also include an educational institution which is not located in a State, which offers a course leading to a standard college degree, or the equivalent, and which is recognized as such by the secretary of education (or comparable official) of the country or other jurisdiction in which the institution is located.".

38 USC 1652.

(b) The text of section 1676 is amended to read as follows:

38 USC 1676.

"An eligible veteran may not enroll in any course at an educational institution not located in a State unless such course is pursued at an approved institution of higher learning and the course is approved by the Administrator. The Administrator may deny or discontinue educational assistance under this chapter in the case of any veteran enrolled in an institution of higher learning not located in a State if the Administrator determines that such enrollment is not in the best interest of the veteran or the Federal Government.".

CHARGE AGAINST ENTITLEMENT FOR PURSUIT OF A PROGRAM OF EDUCATION WHILE ON ACTIVE DUTY OR ON A LESS THAN HALF-TIME BASIS

38 USC 1682.

SEC. 308. Section 1682(b) is amended by adding at the end the following new sentence: "An individual's entitlement shall be charged for institutional courses on the basis of the applicable monthly training time rate as determined under section 1788 of this title.".

38 USC 1788.

COMPUTATION OF EDUCATIONAL ASSISTANCE ALLOWANCES AND CHARGES AGAINST ENTITLEMENT FOR PURSUIT OF INDEPENDENT STUDY

38 USC 1682.

SEC. 309. Subsection (e) of section 1682 is amended to read as follows:

"(e) The educational assistance allowance of an eligible veteran pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (b) of this section. If the entire training is to be pursued by independent study, entitlement shall be charged at one-half of the full-time institutional rate. In any case in which independent study is combined with resident training, the educational assistance allowance shall be paid at the applicable institutional rate based on the total training time determined by adding the number of semester hours (or the equivalent thereof) of resident training to the number of semester hours (or the equivalent thereof) of independent study that do not exceed the number of semester hours (or the equivalent thereof) required for the less than half-time institutional rate, as determined by the Administrator, for resident training. A veteran's entitlement shall be charged for a combination of independent study and resident training on the basis of the applicable monthly training time rate as determined under section 1788 of this title.".

38 USC 1788.

COMPUTATION OF EDUCATIONAL ASSISTANCE ALLOWANCE FOR PURSUIT OF COURSES BY OPEN CIRCUIT TELEVISION

38 USC 1682.

SEC. 310. Section 1682 is amended by adding at the end thereof the following new subsection:

"(f) The educational assistance allowance of an eligible veteran pursuing a course in part by open circuit television shall be computed in the same manner that such allowance is computed under subsection (e) of this section for an independent study program.".

ENTITLEMENT-FREE PURSUIT OF PROGRAMS OF SECONDARY EDUCATION

38 USC 1691.

SEC. 311. Section 1691 is amended—

(1) in subsection (a) by—

(A) striking out "not on active duty";

(B) striking out "at the time of the veteran's discharge or release from active duty"; and

(C) inserting "is not on active duty and who," after "(2)";

(2) in subsection (b) by—

(A) inserting "(1)" before "The";

(B) inserting "(2)" after "subsection (a)"; and

(C) adding at the end the following new paragraph:

"(2) The Administrator shall pay to an eligible veteran described in subsection (a)(1) of this section who is pursuing a course or courses or program under this subchapter for the purpose of attaining a secondary school diploma (or an equivalency certificate) an educational assistance allowance (A) at the rate of established charges for tuition and fees required of similarly circumstanced nonveterans enrolled in the same course, courses, or program, or (B) at the institutional full-time rate provided in section 1682(a), whichever is the lesser."; and

Ante, pp. 2187, 2189.

(3) by adding at the end the following new subsection:

"(c) The provisions of section 1673(d) of this title, relating to the disapproval of enrollment in certain courses, shall be applicable to the enrollment of an eligible veteran who, while serving on active duty, enrolls in one or more courses under this subchapter for the purpose of attaining a secondary school diploma (or an equivalency certificate).".

38 USC 1673.

DISQUALIFICATION OF CERTAIN FAMILY MEMBERS FROM ELIGIBILITY AS QUALIFIED TUTORS

SEC. 312. Section 1692(b)(2) is amended by inserting "and is not the eligible veteran's parent, spouse, child (whether or not married or over eighteen years of age), brother, or sister" after "is qualified".

38 USC 1692.

PART B—EDUCATIONAL ASSISTANCE FOR SURVIVORS AND DEPENDENTS

EXTENSION OF DEPENDENTS' PERIOD OF ELIGIBILITY IN CERTAIN CASES

SEC. 321. Section 1712(a) is amended by—

38 USC 1712.

(1) striking out "and" at the end of clause (4);

(2) redesignating clause (5) as clause (6); and

(3) inserting after clause (4) the following new clause (5):

"(5) if the person becomes eligible by reason of the provisions of section 1701(a)(1)(A)(iii) of this title after the person's eighteenth birthday but before the person's twenty-sixth birthday, then (unless clause (4) of this subsection applies) such period shall end eight years after the date on which the person becomes eligible by reason of such provisions, but in no event shall such period be extended beyond the person's thirty-first birthday by reason of this clause; and".

38 USC 1701.

PERIOD WITHIN WHICH APPLICATION FOR EXTENSION OF DELIMITING PERIOD MUST BE FILED AND MEASUREMENT OF EXTENSION

SEC. 322. Section 1712(b)(2) is amended by—

38 USC 1712.

(1) inserting "made within one year after (A) the last date of the delimiting period otherwise applicable under this section, (B) the termination of the period of mental or physical disability, or (C) the effective date of the Veterans' Rehabilitation and Education Amendments of 1980, whichever is the latest" after "application";

Ante, p. 2171.

(2) inserting "so" after "that such person was" in such paragraph; and

(3) adding at the end the following new sentence: "When an extension of the applicable delimiting period is granted under the exception in the preceding sentence, the delimiting period will again begin running on the first day following such eligible person's recovery from such disability on which it is reasonably feasible, as determined in accordance with regulations which the Administrator shall prescribe, for such eligible person to initiate or resume pursuit of a program of education with educational assistance under this chapter.".

REPEAL OF MANDATORY COUNSELING FOR DEPENDENTS

38 USC 1720.

SEC. 323. (a) Section 1720(a) is amended by—

(1) striking out "shall arrange for, and the eligible person shall take advantage of," and inserting in lieu thereof "may, upon request, arrange for"; and

(2) striking out the second sentence.

38 USC 1761.

(b) Section 1761(a) is amended by—

(1) striking out "required" and inserting in lieu thereof "authorized"; and

(2) striking out "or require".

CLARIFICATION OF AUTHORITY OF ADMINISTRATOR TO DISAPPROVE AN APPLICATION FOR BENEFITS

38 USC 1721.

SEC. 324. The text of section 1721 is amended to read as follows: "The Administrator shall finally approve an application if the Administrator finds that—

38 USC 1720.

"(1) section 1720 of this title has been complied with;

"(2) the proposed program of education constitutes a 'program of education' as that term is defined in this chapter;

"(3) the eligible person is not already qualified, by reason of previous education or training, for the educational, professional, or vocational objective for which the program of education is offered;

38 USC 1770 *et seq.*

"(4) the eligible person's proposed educational institution or training establishment is in compliance with all the requirements of this chapter and chapter 36 of this title; and

"(5) it does not appear that the enrollment in or pursuit of such person's program of education would violate any provisions of this chapter or chapter 36 of this title.".

MODIFICATION OF 50-PERCENT EMPLOYMENT RULE FOR VOCATIONAL COURSES

38 USC 1723.

SEC. 325. Section 1723(a) is amended by—

(1) inserting "(1)" before "The";

(2) redesignating clauses (1), (2), (3), and (4) as clauses (A), (B), (C), and (D), respectively;

(3) amending clause (B) of paragraph (1), as redesignated by clause (2) of this section, to read as follows:

"(B) any course with a vocational objective, unless the eligible person or the institution offering such course presents evidence satisfactory to the Administrator showing that at least one-half of the persons who completed such course over such period, and who are not unavailable for employment, attained employment for an average of ten hours a week in an occupational category for which the course was designed to provide training"; and

(4) adding at the end the following new paragraph:

"(2)(A) For the purposes of clause (B) of paragraph (1) of this subsection, in computing the number of persons who discontinued or completed a course over any two-year period, there shall not be included in such number those persons who received assistance under this title for pursuing such course while serving on active duty.

38 USC 1652.

"(B) The provisions of clause (B) of paragraph (1) of this subsection shall not apply in the case of a particular course offered by an educational institution in a particular year if the total number of eligible veterans (as defined in section 1652(a)(1) of this title) and eligible persons enrolled in the institution during the two-year period preceding such year did not exceed 35 percent of the total enrollment in such institution during such period and the course has met the requirements of such clause for any two-year period ending on or after the date of the enactment of this paragraph.

Requirements, waiver.

"(C) The Administrator may waive the requirements under clause (B) of paragraph (1) of this subsection if the Administrator determines, under regulations which the Administrator shall prescribe, that such requirements would work an undue administrative hardship on an educational institution because of the small proportion of eligible veterans (as defined in section 1652(a)(1) of this title) and eligible persons enrolled in such institution.". 38 USC 1652.

APPROVAL OF COURSES OFFERED THROUGH OPEN CIRCUIT TELEVISION

SEC. 326. Subsection (c) of section 1723 is amended to read as follows: 38 USC 1723.

"(c) The Administrator shall not approve the enrollment of an eligible person in any course to be pursued by radio or by open circuit television, except that the Administrator may approve the enrollment of an eligible person in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through open circuit television.".

EDUCATION OUTSIDE THE UNITED STATES

SEC. 327. (a) Paragraph (10) of section 1701(a) is amended by adding at the end the following new sentence: "Such term shall also include an educational institution which is not located in a State, which offers a course leading to a standard college degree, or the equivalent, and which is recognized by the secretary of education (or comparable official) of the country or other jurisdiction in which the institution is located.". 38 USC 1701.

(b) Section 1723 is amended by adding at the end the following new subsection: 38 USC 1723.

"(e) An eligible person may not enroll in any course at an educational institution which is not located in a State or in the Republic of the Philippines, unless such course is pursued at an approved institution of higher learning and the course is approved by the Administrator. The Administrator, in the Administrator's discretion, may deny or discontinue educational assistance under this chapter in the case of any eligible person in such an institution if the Administrator determines that such enrollment is not in the best interest of the eligible person or the Federal Government.".

STANDARDS FOR DETERMINING SATISFACTORY PROGRESS

SEC. 328. Section 1724 is amended by striking out the second sentence. 38 USC 1724.

PAYMENT OF EDUCATIONAL ASSISTANCE ALLOWANCE ON BEHALF OF ELIGIBLE PERSONS

SEC. 329. Subsection (b) of section 1731 is amended to read as follows: 38 USC 1731.

"(b) The educational assistance allowance of an eligible person pursuing a program of education at an educational institution shall be paid as provided in chapter 36 of this title.". 38 USC 1770 *et seq.*

COMPUTATION OF EDUCATIONAL ASSISTANCE ALLOWANCE FOR PURSUIT OF COURSES BY OPEN CIRCUIT TELEVISION

38 USC 1732.

Sec. 330. Section 1732(c) is amended by adding at the end the following new paragraph:

Ante, p. 2194.

"(4) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a course in part by open circuit television shall be computed in the same manner that such allowance is computed under section 1682(e) of this title for an independent study program.".

ELIGIBILITY FOR SPECIAL RESTORATIVE TRAINING

38 USC 1740.
38 USC 1701.

Sec. 331. Section 1740 is amended by inserting "(as defined in section 1701(a)(1)(A) of this title)" after "person".

PART C—AMENDMENTS RELATING TO THE ADMINISTRATION OF EDUCATIONAL BENEFITS

PERIODS FOR WHICH PAYMENT OF EDUCATIONAL ASSISTANCE OR SUBSISTENCE ALLOWANCES MAY BE PAID

38 USC 1780.

Sec. 341. (a) Subsection (a) of section 1780 is amended by—

(1) inserting "in, and pursuit of, such program" after "enrollment" in the second sentence; and

38 USC 1651 *et seq.*, 1700 *et seq.*

(2) striking out "institution and the requirements of this chapter or of chapter 34 or 35 of this title" in clause (1) and inserting in lieu thereof "institution, with the provisions of such regulations as may be prescribed by the Administrator pursuant to subsection (g) of this section, and with the requirements of this chapter or of chapter 34 or 35 of this title, but payment may be made for an actual period of pursuit of one or more unit subjects pursued for a period of time shorter than the enrollment period at the educational institution".

(b) Subsection (g) of such section is amended by inserting "and define" after "determine" in the first sentence.

BREAKS IN EDUCATION WHICH ARE NOT COUNTED AS ABSENCES

38 USC 1780.

Sec. 342. Section 1780(a)(2) is amended by inserting after "session" the following: "and periods (not to exceed five days in any twelve-month period) when the institution is not in session because of teacher conferences or teacher training sessions".

REPORTS BY VETERANS, ELIGIBLE PERSONS, AND EDUCATIONAL INSTITUTIONS TO THE VETERANS' ADMINISTRATION

38 USC 1784.

Sec. 343. (a) Section 1784 is amended by—

(1) amending subsection (a) to read as follows:

38 USC 1651 *et seq.*, 1700 *et seq.*, 1770 *et seq.*

"(a) The veteran or eligible person and the educational institution offering a course in which such veteran or eligible person is enrolled under chapter 34, 35, or 36 of this title shall, without delay, report to the Administrator, in the form prescribed by the Administrator, such enrollment and any interruption or termination of the education of each such veteran or eligible person. The date of such interruption or termination will be the last date of pursuit, or, in the case of correspondence training, the last date a lesson was serviced by a school."; and

(2) redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection (b):

"(b) The Administrator, prior to making payment of a reporting fee to an educational institution, as provided for in subsection (c) of this section, shall require such institution to certify that it has exercised reasonable diligence in determining whether such institution or any course offered by such institution approved for the enrollment of veterans or eligible persons meets all of the applicable requirements of chapters 34, 35, and 36 of this title and that it will, without delay, report any failure to meet any such requirement to the Administrator.".

38 USC 1651 *et seq.*, 1700 *et seq.*, 1770 *et seq.*

(b)(1) The catchline of such section is amended to read as follows:

"§ 1784. Reports by veterans, eligible persons, and institutions; reporting fee".

(2) The item relating to such section in the table of sections at the beginning of chapter 36 is amended to read as follows:

"1784. Reports by veterans, eligible persons, and institutions; reporting fee.".

LIABILITY FOR OVERPAYMENT OF BENEFITS

SEC. 344. The text of section 1785 is amended to read as follows:

38 USC 1785.

"(a) Whenever the Administrator finds that an overpayment has been made to a veteran or eligible person, the amount of such overpayment shall constitute a liability of such veteran or eligible person to the United States.

"(b) Whenever the Administrator finds that an overpayment has been made to a veteran or eligible person as the result of (1) the willful or negligent failure of an educational institution to report, as required under this chapter or chapter 34 or 35 of this title, to the Veterans' Administration excessive absences from a course, or discontinuance or interruption of a course by the veteran or eligible person, or (2) the willful or negligent false certification by an educational institution, the amount of such overpayment shall constitute a liability of the educational institution to the United States.

38 USC 1651 *et seq.*, 1700 *et seq.*

"(c) Any overpayment referred to in subsection (a) or (b) of this section may be recovered, except as otherwise provided in the last sentence of section 1784(c) of this title, in the same manner as any other debt due the United States.

38 USC 1784.

"(d) Any overpayment referred to in subsection (a) or (b) of this section may be waived as to a veteran or eligible person as provided in section 3102 of this title. Waiver of any such overpayment as to a veteran or eligible person shall in no way release any educational institution from liability under subsection (b) of this section.

Waiver.

38 USC 3102.

"(e)(1) Any amount collected from a veteran or eligible person pursuant to this section shall be reimbursed to the educational institution which is liable pursuant to subsection (b) of this section to the extent that collection was made from the educational institution.

"(2) Nothing in this section or any other provision of this title shall be construed as (A) precluding the imposition of any civil or criminal liability under this title or any other law, or (B) requiring any institution of higher learning to maintain daily attendance records for any course leading to a standard college degree.".

MEASUREMENT OF COURSES

SEC. 345. (a) Subsection (a) of section 1788 is amended by—

38 USC 1788.

(1) inserting "(a)(1)" after "1775" in clauses (1) and (2);

(2) striking out "on a" in clause (4) and inserting in lieu thereof "in residence on a standard"; and

(3) inserting "per semester" in clause (4) after "fourteen semester hours" the first place it appears.

(b) Such section is further amended by adding at the end the following new subsections:

Definitions.

"(c) For the purposes of subsection (a)(4) of this section, the term 'in residence on a standard quarter- or semester-hour basis' means a study at a site or campus of a college or university, or off-campus at an official resident center, requiring pursuit of regularly scheduled weekly class instruction at the rate of one standard class session per week throughout the quarter or semester for one quarter or one semester hour of credit. For the purposes of the preceding sentence, the term 'standard class session' means one hour (or fifty-minute period) of academic instruction, two hours of laboratory instruction, or three hours of workshop training.

Institutional undergraduate course.

"(d) Notwithstanding any other provision of this title, an institutional undergraduate course leading to a standard college degree offered by a college or university in residence shall be considered to be a full-time course if—

"(1) the educational institution offering such course considers such course to be a full-time course and treats such course as a full-time course for all purposes, including (A) payment of tuition and fees, (B) the awarding of academic credit for the purpose of meeting graduation requirements, and (C) the transfer of such credits to an undergraduate course meeting the criteria set forth in subsection (a)(4) of this section;

"(2) less than 50 percent of the persons enrolled in such course are receiving educational assistance under this title;

"(3) such course would qualify as a full-time course under subsection (a)(4) of this section, except that it does not meet the requirements of such subsection with respect to weekly class instruction; and

"(4) the course requires—

"(A) pursuit of standard class sessions for each credit at a rate not less frequent than every two weeks; and

"(B) monthly pursuit of a total number of standard class sessions equal to that number of standard class sessions which, during the same period of time, is required for a course qualifying as a full-time course under subsection (a)(4) of this section.".

ADVISORY COMMITTEE ON VETERANS' EDUCATIONAL ASSISTANCE PROGRAMS

38 USC 1792.

SEC. 346. The text of section 1792 is amended to read as follows:

"(a) There shall be an advisory committee formed by the Administrator which shall be composed of persons who are eminent in their respective fields of education, labor, and management and of representatives of institutions and establishments furnishing education to eligible veterans or persons enrolled under chapter 32, 34, or 35 of this title. The committee shall also include veterans representative of World War II, the Korean conflict era, the post-Korean conflict era, the Vietnam era, and the post-Vietnam era. The Assistant Secretary of Education for Postsecondary Education (or such other comparable official of the Department of Education as the Secretary of Education may designate) and the Assistant Secretary of Labor for Veterans' Employment shall be ex officio members of the advisory committee.

38 USC 1601 *et seq.*, 1651 *et seq.*, 1700 *et seq.*

"(b) The Administrator shall consult with and seek the advice of the committee from time to time with respect to the administration of this chapter and chapters 32, 34, and 35 of this title. The committee may make such reports and recommendations as it considers desirable to the Administrator and the Congress.

38 USC 1601 *et seq.*, 1651 *et seq.*, 1700 *et seq.*
Report to Congress.

"(c) The committee shall remain in existence until December 31, 1989.".

TITLE IV—POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

ELIGIBILITY OF CERTAIN VETERANS FOR THE POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

SEC. 401. Section 1602(1)(A) is amended by—

38 USC 1602.

(1) inserting "who is not eligible for educational assistance under chapter 34 of this title and" after "any veteran"; and

38 USC 1651 *et seq.*

(2) striking out "initially" in clauses (i) and (ii).

DISTRIBUTION OF UNUSED CONTRIBUTIONS UPON DEATH OF PARTICIPANT

SEC. 402. Section 1624 is amended to read as follows:

"§ 1624. Death of participant

38 USC 1624.

"In the event of a participant's death, the amount of such participant's unused contributions to the fund shall be paid to the living person or persons first listed below:

"(1) The beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy.

"(2) The surviving spouse of the participant.

"(3) The surviving child or children of the participant, in equal shares.

"(4) The surviving parent or parents of the participant, in equal shares.

If there is no such person living, such amount shall be paid to such participant's estate.".

ENTITLEMENT-FREE PURSUIT OF PROGRAMS OF SECONDARY EDUCATION

SEC. 403. Subsection (b) of section 1631 is amended to read as follows:

38 USC 1631.

"(b) Any enlisted member of the Armed Forces participating in the program shall be eligible to enroll in a course, courses, or program of education for the purpose of attaining a secondary school diploma (or an equivalency certificate), as authorized by section 1691(a) of this title, during the last six months of such member's first enlistment and at any time thereafter.".

38 USC 1691.

LIMITATION ON PERIOD OF ASSISTANCE UNDER TWO OR MORE PROGRAMS

SEC. 404. Paragraph (1) of section 1631(a) is amended to read as follows:

38 USC 1631.

"(1) Subject to the provisions of section 1795 of this title limiting the aggregate period for which any person may receive assistance under two or more programs of educational or vocational assistance administered by the Veterans' Administration, a participant shall be

38 USC 1795.

entitled to a maximum of 36 monthly benefit payments (or their equivalent in the event of part-time benefits).".

APPLICABILITY OF CERTAIN PROVISIONS OF CHAPTER 34

38 USC 1641.

SEC. 405. Section 1641 is amended by—

(1) inserting "1663," after "sections" the first place it appears; and

(2) striking out "1696, and 1698" and inserting in lieu thereof "and 1691(a)(1)".

AMENDMENTS RELATING TO MONTHLY CONTRIBUTIONS

38 USC 1622.

SEC. 406. (a) Subsection (a) of section 1622 is amended by—

(1) striking out "Each" in the first sentence and inserting in lieu thereof "Except as provided in subsections (c) and (d) of this section, each"; and

(2) striking out "$50" and "$75" in the second sentence and inserting in lieu thereof "$25" and "$100", respectively.

(b) Subsection (c) of such section is amended by inserting after "Forces" a comma and "including contributions in lieu of, or to reduce the amount of, monthly deductions under subsection (a) of this section".

(c) Such section is further amended by adding at the end the following new subsection:

"(d) Subject to the maximum contribution prescribed by subsection (a) of this section, a participant shall be permitted, while serving on active duty, to make a lump-sum contribution to the fund. A lump-sum contribution to the fund by a participant shall be in addition to or in lieu of monthly deductions made from such participant's military pay and shall be considered, for the purposes of paragraph (2) of section 1631(a), to have been made by monthly deductions from such participant's military pay in the amount of $75 per month or in such lesser amount as may be specified by such participant pursuant to regulations issued jointly by the Secretary and the Administrator.".

38 USC 1631.

TITLE V—VETERANS' EMPLOYMENT ASSISTANCE AMENDMENTS

PROMOTION OF THE DEVELOPMENT AND ESTABLISHMENT OF EMPLOYMENT, TRAINING, AND OTHER OPPORTUNITIES

38 USC 244.

SEC. 501. Section 244 is amended by—

(1) redesignating clauses (2) through (5) as clauses (3) through (6), respectively; and

(2) inserting after clause (1) the following new clause (2): "(2) in consultation with the Secretary of Labor, actively seek to promote the development and establishment of employment, training, and other opportunities for veterans, with particular emphasis on the needs of veterans with service-connected disabilities and other eligible veterans, taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title;".

38 USC 2011 *et seq.*

PROMOTION OF THE DEVELOPMENT OF PROGRAMS OF TRAINING ON THE JOB

SEC. 502. Section 1772 is amended by adding at the end the following new subsection: 38 USC 1772.

"(d) Pursuant to regulations prescribed by the Administrator in consultation with the Secretary of Labor, the Administrator shall actively promote the development of programs of training on the job (including programs of apprenticeship) for the purposes of sections 1777 and 1787 of this title and shall utilize the services of disabled veterans' outreach program specialists under section 2003A of this title to promote the development of such programs.". 38 USC 1777, 1787. *Post,* p. 2204.

ELIGIBILITY FOR JOB COUNSELING, TRAINING, AND PLACEMENT SERVICES

SEC. 503. Section 2001 is amended by— 38 USC 2001.

(1) amending paragraph (1) to read as follows:

"(1) The term 'special disabled veteran' has the same meaning provided in section 2011(1) of this title."; and *Post,* p. 2206.

(2) redesignating paragraphs (2) and (3) as paragraphs (5) and (6), respectively, and inserting after paragraph (1) the following new paragraphs:

"(2) The term 'veteran of the Vietnam era' has the same meaning provided in section 2011(2) of this title.

"(3) The term 'disabled veteran' has the same meaning provided in section 2011(3) of this title.

"(4) The term 'eligible veteran' has the same meaning provided in section 2011(4) of this title.".

ELEVATION OF DEPUTY ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT TO ASSISTANT SECRETARY

SEC. 504. (a) Chapter 41 is amended by—

(1) striking out "Deputy" in the item relating to section 2002A in the table of sections at the beginning of such chapter; 38 USC 2002A.

(2) striking out "Deputy" before "Assistant Secretary" in section 2002; 38 USC 2002.

(3) striking out "Deputy" in the catchline of section 2002A; and 38 USC 2002A.

(4) striking out "Deputy" before "Assistant Secretary" in section 2002A.

(b) Any reference in any law, regulation, directive, or other document to the Deputy Assistant Secretary of Labor for Veterans' Employment shall be deemed to be a reference to the Assistant Secretary of Labor for Veterans' Employment. 38 USC 2002A note.

(c) Notwithstanding any other provision of law, the position of Deputy Assistant Secretary of Labor for Veterans' Employment, as constituted on the day before the date of the enactment of this section, shall remain in existence until a person has been appointed to and has qualified for the position of Assistant Secretary of Labor for Veterans' Employment (established by the amendments made by subsection (a)). 38 USC 2002A note.

(d) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Assistant Secretary of Labor for Veterans' Employment.".

CLERICAL SUPPORT FOR VETERANS' EMPLOYMENT REPRESENTATIVES

38 USC 2003.

SEC. 505. Section 2003 is amended by inserting "(and shall assign full-time clerical support to each such representative)" after employment representative" the first time such term appears in the first sentence.

DISABLED VETERANS' OUTREACH PROGRAM

SEC. 506. (a) Chapter 41 is amended by inserting after section 2003 the following new section:

38 USC 2003A.

"§ 2003A. Disabled veterans' outreach program

"(a)(1) The Secretary of Labor shall make available to each State, directly or by grant or contract, such funds as may be necessary to support a disabled veterans' outreach program designed to meet the employment needs of veterans, especially disabled veterans of the Vietnam era.

"(2) Funds provided to a State under this subsection shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in such State. Each such specialist shall be a veteran. Preference shall be given in the appointment of such specialists to disabled veterans of the Vietnam era. If the Secretary finds that a disabled veteran of the Vietnam era is not available for any such appointment, preference for such appointment shall be given to other disabled veterans. If the Secretary finds that no disabled veteran is available for such appointment, such appointment may be given to any veteran. Each such specialist shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State government of the State concerned.

"(3) The Secretary shall also make available to the States such funds, in addition to those made available to carry out paragraphs (1) and (2) of this subsection, as may be necessary to support the reasonable expenses of such specialists for training, travel, supplies, and fringe benefits.

"(4) Specialists appointed pursuant to paragraph (2) of this subsection shall be in addition to and shall not supplant employees assigned to local employment service offices pursuant to section 2004 of this title.

38 USC 2004.

"(b)(1) Pursuant to regulations prescribed by the Secretary of Labor, disabled veterans' outreach program specialists shall be assigned only those duties directly related to meeting the employment needs of eligible veterans, with priority for the provision of services in the following order:

"(A) Services to disabled veterans of the Vietnam era who are participating in or have completed a program of vocational rehabilitation under chapter 31 of this title.

Ante, p. 2171.

"(B) Services to other disabled veterans.

"(C) Services to other eligible veterans in accordance with priorities determined by the Secretary taking into account applicable rates of unemployment and the employment emphases set forth in chapter 42 of this title.

38 USC 2011 *et seq.*

In the provision of services in accordance with this paragraph, maximum emphasis in meeting the employment needs of veterans shall be placed on assisting economically or educationally disadvantaged veterans.

"(2) Not more than three-fourths of the disabled veterans' outreach program specialists in each State shall be stationed at local employment service offices in such State. Specialists not so stationed shall be stationed at centers established by the Veterans' Administration to provide a program of readjustment counseling pursuant to section 621A of this title, veterans assistance offices established by the Veterans' Administration pursuant to section 242 of this title, and such other sites as may be determined to be appropriate in accordance with regulations prescribed by the Secretary after consultation with the Administrator.

38 USC 621A.
38 USC 242.

"(c) Each disabled veterans' outreach program specialist shall carry out the following functions for the purpose of providing services to eligible veterans in accordance with the priorities set forth in subsection (b) of this section:

"(1) Development of job and job training opportunities for such veterans through contacts with employers, especially small- and medium-size private sector employers.

"(2) Pursuant to regulations prescribed by the Secretary after consultation with the Administrator, promotion and development of apprenticeship and other on-job training positions pursuant to section 1787 of this title.

38 USC 1787.

"(3) The carrying out of outreach activities to locate such veterans through contacts with local veterans organizations, the Veterans' Administration, the State employment service agency and local employment service offices, and community-based organizations.

"(4) Provision of appropriate assistance to community-based groups and organizations and prime sponsors under the Comprehensive Employment and Training Act in providing services to such veterans.

29 USC 801 note.

"(5) Provision of appropriate assistance to local employment service office employees with responsibility for veterans in carrying out their responsibilities pursuant to this chapter.

"(6) Consultation and coordination with other appropriate representatives of Federal, State, and local programs for the purpose of developing maximum linkages to promote employment opportunities for and provide maximum employment assistance to such veterans.

"(7) The carrying out of such other duties as will promote the development of entry-level and career job opportunities for such veterans.

"(d) Persons serving as staff in the disabled veterans outreach program conducted under title III of the Comprehensive Employment and Training Act on the date of enactment of this section shall be appointed as disabled veterans' outreach program specialists in the State in which such individual is so serving, unless the Secretary for good cause shown determines that such individual is not qualified for such appointment.

29 USC 871.

"(e) The Secretary of Labor shall administer the program provided for by this section through the Assistant Secretary of Labor for Veterans' Employment.".

(b) The table of sections at the beginning of chapter 41 is amended by inserting after the item relating to section 2003 the following new item:

"2003A. Disabled veterans' outreach program.".

EMPHASIS ON VETERANS OF THE VIETNAM ERA AND DISABLED VETERANS; REVISION OF ANNUAL REPORT

SEC. 507. Section 2007 is amended by—

38 USC 2007.

(1) striking out "those veterans who have been recently discharged or released from active duty" in subsection (a)(1) and inserting in lieu thereof "veterans of the Vietnam era and disabled veterans"; and

(2) striking out the second sentence of subsection (c) and inserting in lieu thereof the following: "The report shall include, by State, specification of the numbers of eligible veterans, veterans of the Vietnam era, disabled veterans, special disabled veterans, and eligible persons who registered for assistance with the public employment service system and, of each of such categories, the number referred to jobs, the number placed in permanent jobs as defined by the Secretary, the number referred to and the number placed in employment and job training programs supported by the Federal Government, the number counseled, and the number who received some reportable service.".

ELIGIBILITY FOR EMPLOYMENT AND TRAINING PROGRAMS FOR VETERANS OF THE VIETNAM ERA

Definitions.
38 USC 2011.

SEC. 508. The text of section 2011 is amended to read as follows:

"As used in this chapter—

"(1) The term 'special disabled veteran' means (A) a veteran who is entitled to compensation under laws administered by the Veterans' Administration for a disability rated at 30 percent or more, or (B) a person who was discharged or released from active duty because of a service-connected disability.

"(2)(A) Subject to subparagraph (B) of this paragraph, the term 'veteran of the Vietnam era' means an eligible veteran any part of whose active military, naval, or air service was during the Vietnam era.

"(B) No veteran may be considered to be a veteran of the Vietnam era under this paragraph after December 31, 1991.

"(3) The term 'disabled veteran' means (A) a veteran who is entitled to compensation under laws administered by the Veterans' Administration, or (B) a person who was discharged or released from active duty because of a service-connected disability.

"(4) The term 'eligible veteran' means a person who (A) served on active duty for a period of more than 180 days and was discharged or released therefrom with other than a dishonorable discharge, or (B) was discharged or released from active duty because of a service-connected disability.

"(5) The term 'department or agency' means any agency of the Federal Government or the District of Columbia, including any Executive agency as defined in section 105 of title 5.". 5 USC 105.

FILING OF COMPLAINTS REGARDING VIOLATIONS OF EMPLOYMENT EMPHASIS PROVISIONS IN FEDERAL CONTRACTS

38 USC 2012.

SEC. 509. Subsection (b) of section 2012 is amended to read as follows:

"(b) If any special disabled veteran or veteran of the Vietnam era believes any contractor of the United States has failed to comply or refuses to comply with the provisions of the contractor's contract relating to the employment of veterans, the veteran may file a complaint with the Secretary of Labor, who shall promptly investigate such complaint and take appropriate action in accordance with the terms of the contract and applicable laws and regulations.".

EMPLOYMENT WITHIN THE FEDERAL GOVERNMENT

SEC. 510. Section 2014 is amended by adding at the end the following new subsection: 38 USC 2014.

"(g) To further the policy stated in subsection (a) of this section, the Administrator may give preference to qualified special disabled veterans and qualified veterans of the Vietnam era for employment in the Veterans' Administration as veterans' benefits counselors and veterans' claims examiners and in positions to provide the outreach services required under section 241 of this title, to serve as veterans' representatives at certain educational institutions as provided in section 243 of this title, or to provide readjustment counseling under section 612A of this title to veterans of the Vietnam era.".

38 USC 241.
38 USC 243.
38 USC 612A.

REEMPLOYMENT RIGHTS OF RESERVES CALLED TO ACTIVE DUTY

SEC. 511. (a) Subsections (c) and (g) of section 2024 are amended by striking out "three consecutive months" and inserting in lieu thereof "twelve consecutive weeks". 38 USC 2024.

(b) Subsection (f) of such section is amended to read as follows:

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 502, 503, 504, or 505 of title 32 is considered active duty for training. For the purposes of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or section 206, 301, 309, 402, or 1002 of title 37 is considered inactive duty training.".

EMPLOYMENT ASSISTANCE AND SERVICES FOR VETERANS INELIGIBLE FOR ASSISTANCE UNDER CHAPTER 41

SEC. 512. The Secretary of Labor shall assure that any veteran who is made ineligible for employment assistance under chapter 41 of title 38, United States Code, by virtue of the amendments made by section 503(1) of this Act shall be provided with the employment assistance and services made available under the provisions of the Act entitled "An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes", approved June 6, 1933 (commonly referred to as the "Wagner-Peyser Act"), (29 U.S.C. 49-49k), the Comprehensive Employment and Training Act (29 U.S.C. et seq.), and other applicable provisions of law.

38 USC 2001 note.
38 USC 503.
29 USC 801 note.

REQUIREMENT FOR BUREAU OF LABOR STATISTICS TO PUBLISH CERTAIN UNEMPLOYMENT INFORMATION ANNUALLY

SEC. 513. (a) When the Commissioner of the Bureau of Labor Statistics publishes annual labor-market statistics relating specifically to veterans who served in the Armed Forces during the Vietnam era, the Commissioner shall also publish separate labor-market statistics on the same subject matter which apply only to veterans who served in the Vietnam theatre of operations. When the Commissioner of the Bureau of Labor Statistics publishes labor-market statistics which relate specifically to veterans who served in the Armed Forces during the Vietnam era in addition to those statistics published on an annual basis to which the preceding sentence applies, the Commissioner shall also, if feasible, publish separate labor-market statistics on the same subject matter which apply only to veterans who served in the Vietnam theatre of operations.

38 USC 2007 note.

(b) For the purposes of this section, veterans who during the Vietnam era served in Vietnam, in air missions over Vietnam, or in naval missions in the waters adjacent to Vietnam shall be considered to be veterans who served in the Vietnam theatre of operations.

TITLE VI—COST-SAVING PROVISIONS

REPEAL OF AUTHORITY TO PURSUE PREDISCHARGE EDUCATION PROGRAM (PREP) UNDER CHAPTER 32

38 USC 1695–1698.

SEC. 601. (a)(1) Subchapter VI of chapter 34 is repealed.

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to subchapter VI and the items relating to sections 1695, 1696, 1697, and 1698.

38 USC 1661.

(b) Section 1661(c) is amended by striking out "subchapters V and VI" and inserting in lieu thereof "subchapter V".

38 USC 1780.

(c) Section 1780(d) is amended by—

(1) in paragraph (2)—

(A) striking out "(other than under subchapter VI of chapter 34)"; and

(B) striking out "paragraphs 5 (B) and (C) and (6)" and inserting in lieu thereof "paragraphs (4) (B) and (C) and (5)";

(2) striking out paragraph (3);

(3) redesignating paragraph (4) as paragraph (3);

(4) redesignating paragraph (5) as paragraph (4) and striking out "paragraphs (2) and (3)" in such paragraph and inserting in lieu thereof "paragraph (2)"; and

(5) redesignating paragraph (6) as paragraph (5) and striking out "paragraph (5)" in such paragraph and inserting in lieu thereof "paragraph (4)".

(d) Section 1780 is amended by—

(1) striking out "and (3)" in subsection (e); and

(2) striking out "(except as provided by subsection (d)(3) of this section)" in subsection (f).

38 USC 1784.

(e) Section 1784(c), as redesignated by section 342(a)(2) of this Act, is amended by striking out "1780(d)(5)" and inserting in lieu thereof "1780(d)(4)".

38 USC 1788.

(f) Section 1788(a)(6) is amended by striking out "or 1696(a)(2)".

38 USC 1789.

(g) Section 1789(b)(5) is amended by striking out "or VI".

38 USC 1798.

(h) Section 1798(f)(2) is amended by striking out "1780(d)(5)" and inserting in lieu thereof "1780(d)(4)".

LIMITATION OF PAYMENT OF EDUCATIONAL ASSISTANCE ALLOWANCES TO INCARCERATED VETERANS AND INCARCERATED PERSONS ELIGIBLE FOR EDUCATIONAL ASSISTANCE

38 USC 1682.

SEC. 602. (a) Section 1682, as amended by section 310 of this Act, is further amended by adding at the end the following new subsection:

"(g)(1) Subject to the provisions of paragraph (2) of this subsection, the amount of the educational assistance allowance paid to an eligible veteran who is pursuing a program of education under this chapter while incarcerated in a Federal, State, or local penal institution for conviction of a felony may not exceed such amount as the Administrator determines, in accordance with regulations which the Administrator shall prescribe, is necessary to cover the cost of established charges for tuition and fees required of similarly circumstanced nonveterans enrolled in the same program and to cover the cost of necessary supplies, books, and equipment, or the applicable monthly educational assistance allowance prescribed for a veteran with no dependents in subsection (a)(1) or (c)(2) of this section or section 1787(b)(1) of this title, whichever is the lesser.

Ante, pp. 2189, 2191.

"(2) Paragraph (1) of this subsection shall apply in the case of any veteran who is pursuing a program of education under this chapter while residing in a halfway house or participating in a work-release program in connection with such veteran's conviction of a felony if the Administrator determines that all the veteran's living expenses are being defrayed by a Federal, State, or local government.".

38 USC 1732.

(b) Section 1732 is amended by adding at the end the following new subsection:

"(e) In the case of an eligible person who is pursuing a program of education under this chapter while incarcerated in a Federal, State, or local penal institution for conviction of a felony, the educational assistance allowance shall be paid in the same manner prescribed in section 1682(g) of this title for incarcerated veterans.".

38 USC 1682.

38 USC 1780.

(c) Section 1780(a) is amended by—

(1) striking out "or" at the end of clause (4);

(2) striking out the period at the end of clause (5) and inserting in lieu thereof a semicolon and "or"; and

(3) inserting after clause (5) the following new clause:

"(6) to any eligible veteran or person incarcerated in a Federal, State, or local prison or jail for any course (A) to the extent the tuition and fees of the veteran or person are paid under any Federal program (other than a program administered by the Administrator) or under any State or local program, or (B) for which there are no tuition and fees.".

(d) The provisions of section 1682(g)(1) of title 38, United States Code, as added by subsection (a), shall not apply to an apportionment made under section 3107(c) of such title before the date of the enactment of this Act.

38 USC 1682 note.
Ante, p. 2208.
38 USC 3107.

REDUCTION IN EDUCATIONAL ASSISTANCE ALLOWANCE FOR FLIGHT TRAINING

38 USC 1677.

SEC. 603. (a) Section 1677(b) is amended by striking out "90 per centum" and inserting in lieu thereof "60 percent".

38 USC 1798.

(b) The second sentence of section 1798(c) is amended by striking out "flight, apprentice, or other on-job, or PREP training" and inserting in lieu thereof "or apprenticeship or other on-job training".

REDUCTION IN EDUCATIONAL ASSISTANCE FOR CORRESPONDENCE COURSES

38 USC 1786.

SEC. 604. Section 1786(a)(1) is amended by striking out "90 per centum" and inserting in lieu thereof "70 percent".

DEBT COLLECTION

SEC. 605. (a)(1) Chapter 53 is amended by adding at the end the following new sections:

38 USC 3114.

"§ 3114. Indebtedness offsets

38 USC 3102.

"(a) Subject to subsections (b) and (d) of this section, the Administrator shall (unless the Administrator waives recovery under section 3102 of this title) deduct the amount of the indebtedness of any person who has been determined to be indebted to the United States by virtue of such person's participation in a benefits program administered by the Veterans' Administration from future payments made to such person under any law administered by the Veterans' Administration.

Deductions.

"(b) Deductions may not be made under subsection (a) of this section with respect to the indebtedness of a person described in such subsection unless the Administrator—

"(1) has made reasonable efforts to notify such person of such person's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and of such person's right to request a waiver of such indebtedness under section 3102 of this title;

38 USC 3102.

"(2) has made a determination with respect to any such dispute or request or has determined that the time required to make such a determination before making deductions would jeopardize the Administrator's ability to recover the full amount of such indebtedness through deductions from such payments; and

"(3) has made reasonable efforts to notify such person about the proposed deductions from such payments.

"(c) Notwithstanding any other provision of this title or of any other law, the authority of the Administrator to make deductions under this section or to take other administrative action authorized by law for the purpose of collecting an indebtedness described in subsection (a) of this section, or for the purpose of determining the creditworthiness of a person who owes such an indebtedness, shall not be subject to any limitation with respect to the time for bringing civil actions or for commencing administrative proceedings.

Regulations.

"(d) The Administrator shall prescribe regulations for the administration of this section.

38 USC 3115.

"§ 3115. Interest and administrative cost charges on delinquent payments of certain amounts due the United States

38 USC 3102.

"(a) Notwithstanding any other provision of this title or of any other law and subject to section 3102 of this title, interest and administrative costs (as described in subsections (b) and (c) of this section) shall be charged, under regulations which the Administrator shall prescribe, on any amount owed to the United States—

"(1) for an indebtedness resulting from a person's participation in a benefits program administered by the Veterans' Administration other than a loan, loan-guaranty, or loan-insurance program;

"(2) for an indebtedness resulting from the provision of care or services under chapter 17 of this title; or

38 USC 601 *et seq.*

"(3) to the extent not precluded by the terms of the loan instruments concerned, for an indebtedness resulting from a person's participation in a program of loans, loan guaranties, or loan insurance administered by the Veterans' Administration under this title.

"(b)(1) Interest on the amount of any indebtedness described in subsection (a) of this section shall accrue from the day on which the initial notification of the amount due is mailed to the person who owes such amount (using the most current address of such person that is available to the Administrator), but interest under this section shall not be charged (A) for any period before the date of the enactment of this section, or (B) if the amount due is paid within a reasonable period of time. The Administrator shall, in the regulations prescribed pursuant to subsection (a) of this section, prescribe what constitutes a reasonable period of time for payment of an indebtedness after the initial notification of indebtedness has been mailed.

"(2) The rate of interest to be charged under this section shall be based on the rate of interest paid by the United States for its borrowing and shall be determined by the Administrator under such regulations.

Administrative costs.

"(c) The administrative costs to be charged under this section with respect to an amount owed to the United States shall be so much of the costs incurred by the United States in collecting such amount as the Administrator determines, under such regulations, to be reasonable and appropriate.

38 USC 3116.

"§ 3116. Authority to sue to collect certain debts

"(a)(1) Within ninety days after the date of the enactment of this section, the Administrator shall take appropriate steps to authorize attorneys employed by the Veterans' Administration to exercise, subject to paragraphs (2) and (3) of this subsection, the right of the United States to bring suit in any court of competent jurisdiction to recover any indebtedness owed to the United States by a person by virtue of such person's participation in a benefits program administered by the Veterans' Administration.

"(2) No suit may be filed under this section to recover any indebtedness owed by any person to the United States unless the Administrator has determined, under regulations which the Administrator shall prescribe, that such person has failed to respond appropriately to reasonable administrative efforts to collect such indebtedness.

"(3) The activities of attorneys employed by the Veterans' Administration in bringing suit under this section shall be subject to the direction and supervision of the Attorney General of the United States and to such terms and conditions as the Attorney General may prescribe.

"(b) Not later than ninety days after the date of the enactment of this section, the Administrator and the Attorney General of the United States shall submit to the appropriate committees of the Congress a joint report that describes and explains the actions taken by the Administrator and the Attorney General to implement subsection (a) of this section.

"(c) Nothing in this section shall derogate from the authority of the Attorney General of the United States under sections 516 and 519 of title 28 to direct and supervise all litigation to which the United States or an agency or officer of the United States is a party.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new items:

"3114. Indebtedness offsets.
"3115. Interest and administrative cost charges on delinquent payments of certain amounts due the United States.
"3116. Authority to sue to collect certain debts.".

Regulations. 38 USC 3114 note.

(b) The Administrator of Veterans' Affairs shall, not later than January 1, 1981, prescribe the regulations required to be prescribed under sections 3114 and 3115 of title 38, United States Code, as added by subsection (a).

38 USC 415.

(c)(1) Section 415 is amended by striking out subsection (f) and redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

38 USC 506.

(2) Section 506 is amended by striking out "(a)" at the beginning of subsection (a) and striking out subsection (b).

38 USC 3102.

(3) Section 3102 is amended by—

(A) inserting "(or any interest thereon)" after "overpayments" in subsection (a); and

(B) inserting "(or any interest thereon)" after "indebtedness" both places it appears in subsection (c).

DISCLOSURE OF INFORMATION

38 USC 3301.

SEC. 606. (a) Subsection (a) of section 3301 is amended by striking out "personnel of the armed services" and inserting in lieu thereof "members of the Armed Forces".

(b) Subsection (b) of such section is amended by adding at the end the following new clause:

"(6) In connection with any proceeding for the collection of an amount owed to the United States by virtue of a person's participation in any benefit program administered by the Veterans' Administration when in the judgment of the Administrator such disclosure is deemed necessary and proper.".

(c) Subsection (c) of such section is amended to read as follows:

"(c)(1) The amount of any payment made by the Veterans' Administration to any person receiving benefits under a program administered by the Veterans' Administration shall be made known to any person who applies for such information.

"(2) Any appraisal report or certificate of reasonable value submitted to or prepared by the Veterans' Administration in connection with any loan guaranteed, insured, or made under chapter 37 of this title shall be made available to any person who applies for such report or certificate.

38 USC 1801 *et seq.*

Claim information, publication.

"(3) Subject to the approval of the President, the Administrator may publish at any time and in any manner any or all information of record pertaining to any claim filed with the Veterans' Administration if the Administrator determines that the public interest warrants or requires such publication.".

(d) The first sentence of subsection (f) of such section is amended by—

(1) striking out "names or addresses, or both, of any present or former members of the Armed Forces, and/or their dependents" and inserting in lieu thereof "name or address, or both, of any present or former member of the Armed Forces, or a dependent of a present or former member of the Armed Forces"; and

(2) striking out "such names or addresses" and inserting in lieu thereof "such name or address".

(e) Such section is further amended by redesignating subsection (g) as subsection (j) and inserting after subsection (f) the following new subsections:

"(g)(1) Subject to the provisions of this subsection, and under regulations which the Administrator shall prescribe, the Administrator may release the name or address, or both, of any person who is a present or former member of the Armed Forces, or who is a dependent of a present or former member of the Armed Forces, to a consumer reporting agency if the release of such information is necessary for a purpose described in paragraph (2) of this subsection.

"(2) A release of information under paragraph (1) of this subsection concerning a person described in such paragraph may be made for the purpose of—

"(A) locating such a person—

"(i) who has been administratively determined to be indebted to the United States by virtue of the person's participation in a benefits program administered by the Veterans' Administration; or

"(ii) if the Administrator has determined under such regulations that (I) it is necessary to locate such person in order to conduct a study pursuant to section 219 of this title or a study required by any other provision of law, and (II) all reasonable steps have been taken to assure that the release of such information to such reporting agency will not have an adverse effect on such person; or

38 USC 219.

"(B) obtaining a consumer report in order to assess the ability of a person described in clause (A)(i) of this paragraph to repay the indebtedness of such person to the United States, but the Administrator may release the name or address of such person for the purpose stated in this clause only if the Administrator determines under such regulations that such person has failed to respond appropriately to administrative efforts to collect such indebtedness.

"(3) The Administrator may also release to a consumer reporting agency, for the purposes specified in clause (A) or (B) of paragraph (2) of this subsection, such other information as the Administrator determines under such regulations is reasonably necessary to identify a person described in such paragraph, except that the Administrator may not release to a consumer reporting agency any information which indicates any indebtedness on the part of such person to the United States or any information which reflects adversely on such person. Before releasing any information under this paragraph, the Administrator shall, under such regulations, take reasonable steps to provide for the protection of the personal privacy of persons about whom information is proposed to be released under this paragraph.

"(4)(A) If the Administrator determines, under regulations which the Administrator shall prescribe, that a person described in paragraph (1) of this subsection has failed to respond appropriately to reasonable administrative efforts to collect an indebtedness of such person described in paragraph (2)(A)(i) of this subsection, the Administrator may release information concerning the indebtedness, including the name and address of such person, to a consumer reporting agency for the purpose of making such information available for inclusion in consumer reports regarding such person and, if necessary, for the purpose of locating such person, if—

"(i) the Administrator has (I) made reasonable efforts to notify such person of such person's right to dispute through prescribed administrative processes the existence or amount of such indebtedness and of such person's right to request a waiver of such indebtedness under section 3102 of this title, (II) afforded such person a reasonable opportunity to exercise such rights, and (III) made a determination with respect to any such dispute or request; and

38 USC 3102.

"(ii) thirty calendar days have elapsed after the day on which the Administrator has made a determination that reasonable efforts have been made to notify such person (I) that the Administrator intends to release such information for such purpose or purposes, and (II) that, upon the request of such person, the Administrator shall inform such person of whether such information has been so released and of the name and address of each consumer reporting agency to which such information was released by the Administrator and of the specific information so released.

"(B) After release of any information under subparagraph (A) of this paragraph concerning the indebtedness of any person, the Administrator shall promptly notify—

"(i) each consumer reporting agency to which such information has been released by the Administrator; and

"(ii) each consumer reporting agency described in subsection (i)(3)(B)(i) of this section to which such information has been transmitted by the Administrator through a consumer reporting agency described in subsection (i)(3)(B)(ii)(I) of this section,

of any substantial change in the status or amount of such indebtedness and, upon the request of any such consumer reporting agency for verification of any or all information so released, promptly verify or correct, as appropriate, such information. The Administrator shall also, after the release of such information, inform such person, upon the request of such person, of the name and address of each consumer reporting agency described in clause (i) or (ii) of this subparagraph to which such information was released or transmitted by the Administrator and of the specific information so released or transmitted.

"(h)(1) Under regulations which the Administrator shall prescribe, the Administrator may release the name or address, or both, of any person who is a present or former member of the Armed Forces, or who is a dependent of a present or former member of the Armed Forces (and other information relating to the identity of such person), to any person in a category of persons described in such regulations and specified in such regulations as a category of persons to whom such information may be released, if the release of such information is necessary for a purpose described in paragraph (2) of this subsection.

"(2) A release of information under paragraph (1) of this subsection may be made for the purpose of—

"(A) determining the creditworthiness, credit capacity, income, or financial resources of a person who has (i) applied for any benefit under chapter 37 of this title, or (ii) submitted an offer to the Administrator for the purchase of property acquired by the Administrator under section 1820(a)(5) of this title;

38 USC 1801 *et seq.*

38 USC 1820.

"(B) verifying, either before or after the Administrator has approved a person's application for assistance in the form of a loan guaranty or loan insurance under chapter 37 of this title, information submitted by a lender to the Administrator regarding the creditworthiness, credit capacity, income, or financial resources of such person;

"(C) offering for sale or other disposition by the Administrator, pursuant to section 1820 of this title, any loan or installment sale contract owned or held by the Administrator; or

"(D) providing assistance to any applicant for benefits under chapter 37 of this title or administering such benefits if the Administrator promptly records the fact of such release in appropriate records pertaining to the person concerning whom such release was made.

"(i)(1) No contract entered into for any of the purposes of subsection (g) or (h) of this section, and no action taken pursuant to any such contract or either such subsection, shall result in the application of section 552a of title 5 to any consumer reporting agency or any employee of a consumer reporting agency.

"(2) The Administrator shall take reasonable steps to provide for the protection of the personal privacy of persons about whom information is disclosed under subsection (g) or (h) of this section.

"(3) For the purposes of this subsection and of subsection (g) of this section—

"(A) The term 'consumer report' has the meaning provided such term in subsection (d) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a(d)).

"Consumer report."

"(B) The term 'consumer reporting agency' means—

"Consumer reporting agency."

"(i) a consumer reporting agency as such term is defined in subsection (f) of section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)), or

"(ii) any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of (I) obtaining credit or other information on consumers for the purpose of furnishing such information to consumer reporting agencies (as defined in clause (i) of this paragraph), or (II) serving as a marketing agent under arrangements enabling third parties to obtain such information from such reporting agencies.".

(f) Subsection (j) of such section (as redesignated by subsection (e)) is amended by striking out "Any" and inserting in lieu thereof "Except as provided in subsection (i)(1) of this section, any".

TITLE VII—MISCELLANEOUS PROVISIONS

ADMINISTRATOR'S RESPONSIBILITIES FOR ADVOCACY ON BEHALF OF VETERANS

SEC. 701. (a) Section 220 is amended by striking out the period at the end and inserting in lieu thereof a comma and "and shall actively promote the effective implementation, enforcement, and application of all provisions of law and regulations providing for special consideration, emphasis, or preference for veterans.".

38 USC 220.

(b)(1) The catchline of such section is amended to read as follows:

"§ 220. Coordination and promotion of other Federal programs affecting veterans and their dependents".

(2) The item relating to such section in the table of sections at the beginning of chapter 3 is amended to read as follows:

"220. Coordination and promotion of other Federal programs affecting veterans and their dependents.".

NATIONAL INSTITUTE OF OCCUPATIONAL SAFETY AND HEALTH EXEMPTION

SEC. 702. Section 502 of the Veterans' Disability Compensation and Survivors' Benefits Amendments of 1979 (Public Law 96-128; 93 Stat. 987) is amended by adding at the end the following new sentence: "Disclosures of information made under this section shall for all purposes be deemed to be disclosures authorized in the Internal Revenue Code of 1954.".

26 USC 6103 note.

26 USC 6103 note.

26 USC 1.

EFFECTIVE DATE FOR CHANGE IN PROBATIONARY PERIOD FOR CERTAIN EMPLOYEES

SEC. 703. The amendment made by section 303 of the Veterans Health Programs Extension and Improvement Act of 1979 (Public

38 USC 4106 note.

38 USC 4106. Law 96-151; 93 Stat. 1096) shall apply only with respect to appointments described in section 4106(a) of title 38, United States Code, made after December 19, 1979.

AMENDMENT TO TITLE 18, UNITED STATES CODE

SEC. 704. Section 1114 of title 18, United States Code, is amended by inserting "or any officer or employee of the Veterans' Administration assigned to perform investigative or law enforcement functions," after "of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions,".

TITLE VIII—TECHNICAL AMENDMENTS AND EFFECTIVE DATES

TECHNICAL AMENDMENTS

38 USC 1652. SEC. 801. (a) Section 1652 is amended by—

(1) inserting "and chapter 36 of this title" after "chapter" the first place it appears;

(2) striking out "For the purposes of this chapter and chapter 36 of this title, the" in subsections (e), (f), and (g) and inserting in lieu thereof "The"; and

(3) striking out "Commissioner" in subsection (g) and inserting in lieu thereof "Secretary".

38 USC 1685. (b) Section 1685(d) is amended by striking out "Civil Service Commission" and inserting in lieu thereof "Office of Personnel Management".

38 USC 1701. (c) Section 1701(a) is amended by—

(1) inserting "and chapter 36 of this title" after "chapter" the first place it appears;

(2) striking out "For the purposes of this chapter and chapter 36 of this title, the" in paragraphs (9), (10), and (11) and inserting in lieu thereof "The"; and

(3) striking out "Commissioner" in paragraph (11) and inserting in lieu thereof "Secretary".

38 USC 1775. (d) Section 1775(a) is amended by striking out "Commissioner" each place it appears and inserting in lieu thereof "Secretary".

38 USC 1781. (e) Section 1781 is amended by striking out "Department of Health, Education, and Welfare" and inserting in lieu thereof "Department of Health and Human Services".

38 USC 1790. (f) Section 1790(b)(2) is amended by striking out "therefor" and inserting in lieu thereof "for".

38 USC 1798. (g) Section 1798(d)(3) is amended by striking out "Commissioner of Education, Department of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Education".

Ante, p. 2203. (h) Section 2001 is amended by—

(1) striking out "the" the first place it appears in paragraph (5), as redesignated by section 503(2), and inserting in lieu thereof "The"; and

(2) inserting "the Commonwealth of the Northern Marianas Islands," after "the Virgin Islands," in paragraph (6), as redesignated by section 503(2).

38 USC 2003. (i) Section 2003 is amended by—

(1) striking out ", United States Code," in the second sentence;

(2) striking out "manpower" in the fourth sentence and inserting in lieu thereof "employment";

(3) inserting "system" after "public employment service" each place it appears; and

(4) inserting ", disabled veterans, and veterans of the Vietnam era" in paragraph (6) after "eligible veterans".

(j) Section 2012(a) is amended by— 38 USC 2012.

(1) inserting "special" after "qualified"; and

(2) striking out "within 60 days after the date of enactment of this section, which regulations" and inserting in lieu thereof "which".

(k)(1) Section 2013 is amended by— 38 USC 2013.

(A) striking out "a veteran (as defined in section 101(2) of this title) who served on active duty for a period of more than 180 days or was discharged or released from active duty for a service-connected disability" and inserting in lieu thereof "an eligible veteran"; and

(B) striking out "any manpower training program assisted under the Manpower Development and Training Act of 1962, or any other manpower" and inserting in lieu thereof "any employment or training program assisted under the Comprehensive Employment and Training Act, or any other employment or".

(2)(A) The catchline of such section is amended to read as follows:

"§ 2013. Eligibility requirements for veterans under Federal employment and training programs".

(B) The item relating to such section in the table of sections at the beginning of chapter 42 is amended to read as follows:

"2013. Eligiblity requirements for veterans under Federal employment and training programs.".

(l) Section 2014 is amended by— 38 USC 2014.

(1) striking out "Civil Service Commission" and "Commission" each place such terms appear and inserting in lieu thereof "Office of Personnel Management" and "Office", respectively;

(2) striking out paragraph (2) of subsection (b) and redesignating paragraph (3) of such subsection as paragraph (2);

(3) striking out "Public Law 93-112 (87 Stat. 391)" in subsection (c) and inserting in lieu thereof "the Rehabilitation Act of 1973 (29 U.S.C. 791(b))"; and

(4) striking out "such Public Law 93-112" in subsection (e) and inserting in lieu thereof "the Rehabilitation Act of 1973 (29 U.S.C. 791(d))".

(m) The GI Bill Improvement Act of 1977 (Public Law 95-202) is amended by—

(1) striking out paragraph (3) of section 305(a); 38 USC 1673 note.

(2) striking out "paragraph (1)" in section 305(b)(3) and inserting in lieu thereof "paragraph (2)"; and 38 USC 1674 note.

(3) striking out "honorand" in section 401(a)(1)(B) and inserting in lieu thereof "honorable". 38 USC 106 note.

EFFECTIVE DATES

Sec. 802. (a)(1) Except as provided in paragraph (2), the amendments made by subsections (a) and (b) of section 101 shall become effective on April 1, 1981. 38 USC 1500 note. *Ante*, p. 2171.

(2) The provisions of sections 1508, 1512, 1516, 1518, 1519, 1520, and

1521 of title 38, United States Code, as added by section 101(a), shall become effective on October 1, 1980.

Ante, p. 2171.
Ante, p. 2174.
Ante, p. 2177.

(3) Notwithstanding paragraph (2), the provisions of chapter 31 of title 38, United States Code, as in effect on the day before the date of the enactment of this Act (other than section 1504, relating to subsistence allowances, and section 1507, relating to loans), shall continue in effect until March 31, 1981.

Repeal.

Ante, p. 2171.

(4) Effective on October 1, 1980, sections 1504 and 1507 are repealed. During the period beginning on October 1, 1980, and ending on March 31, 1981, the provisions of sections 1508 and 1512 of title 38, United States Code, as added by section 101(a), shall apply to veterans pursuing a program of vocational rehabilitation training under chapter 31 of such title in the same manner as sections 1504 and 1507 of such title, respectively, applied to veterans pursuing a program of vocational rehabilitation training under such chapter on September 30, 1980.

(5) Subsection (c) of section 101 shall become effective on October 1, 1980. Subsection (d) of such section shall become effective on the date of the enactment of this Act.

38 USC 1781 note.
Ante, p. 2187.

(6) The amendments made by sections 102 and 103 shall become effective on October 1, 1980.

38 USC 1677 note.
Ante, p. 2187.

(b)(1) The amendments made by part A of title II shall become effective on October 1, 1980.

Ante, p. 2189.

(2) The amendments made by part B of title II shall become effective on January 1, 1981.

38 USC 1652 note.
Ante, p. 2191.

(c)(1) Except as provided in paragraph (2), the amendments made by title III shall become effective on October 1, 1980.

38 USC 1651 *et seq.*
38 USC 1652.

(2) Paragraph (2) of section 1691(a) of title 38, United States Code, as added by section 311(2), shall not apply to any person receiving educational assistance under chapter 34 of title 38, United States Code, on October 1, 1980, for the pursuit of a program of education, as defined in section 1652(b) of such title, in which such person is enrolled on that date, for as long as such person continuously thereafter is so enrolled and meets the requirements of eligibility for such assistance for pursuit of such program.

38 USC 1602 note.
Ante, p. 2201.

(d)(1) The amendments made by section 401 shall take effect as of January 1, 1977.

38 USC 1624 note.

(2) The amendments made by sections 402 through 406 shall become effective on October 1, 1980.

38 USC 2001 note.
Ante, p. 2202.

(e) The amendments made by title V and the provisions of sections 512 and 513 shall become effective on October 1, 1980.

38 USC 3114 note.
Ante, p. 2208.

(f)(1) Except as provided in paragraph (2), the amendments made by title VI shall become effective on October 1, 1980.

Ante, p. 2209.
38 USC 1651 *et seq.*, 1700 *et seq.*
38 USC 1770 *et seq.*

(2) The amendments made by sections 603 and 604 shall not apply to any person receiving educational assistance under chapter 34 or 35 of title 38, United States Code, on September 1, 1980, for the pursuit of a program of education, as defined in section 1652(b) of such title, in which such person is enrolled on that date, for as long as such person continuously thereafter is so enrolled and meets the requirements of eligibility for such assistance for the pursuit of such program under the provisions of such chapter and chapter 36 of such title as in effect on that date.

38 USC 220 note.
Ante, p. 2215.

(g)(1) The amendments made by section 701 shall become effective on October 1, 1980.

26 USC 6103 note.

(2) The amendment made by section 702 shall take effect as of November 28, 1979.

(3) Section 703 and the amendment made by section 704 shall take effect on the date of the enactment of this Act.

38 USC 4106 note.
Ante, p. 2215.

(h) Section 801 shall become effective on October 1, 1980.

38 USC 1652 note.
Ante, p. 2216.

Approved October 17, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 96-498 (Comm. on Veterans' Affairs).
SENATE REPORT No. 96-314 accompanying S. 870 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD:
  Vol. 125 (1979): Oct. 15, 16, considered and passed House.
  Vol. 126 (1980): Jan. 23, S. 870 considered in Senate.
    Jan. 24, H.R. 5288 considered and passed Senate, amended, in lieu of S. 870.
    Sept. 25, House concurred in Senate amendments with amendments.
    Sept. 26, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS:
  Vol. 16, No. 43 (1980): Oct. 17, Presidential statement.

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